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INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

HEARINGS BEFORE THE SELECT COMMITTEE ON IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD EIGHTY-FIFTH CONGRESS FIRST SESSION

PURSUANT TO SENATE RESOLUTION 74, 85TH CONGRESS

OCTOBER 22, 23, 24, 25, 28, AND 29, 1957

PART 15

Printed for the use of the Select Committee on Improper Activities in the
Labor or Management Field



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SELECT COMMITTEE ON IMPROPER ACTIVITIES IN THE LABOR OR
MANAGEMENT FIELD

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CONTENTS

NATHAN SHEFFERMAN AND LABOR RELATIONS ASSOCIATES, INC.

	Page
Appendix.....	6217
Testimony of—	
Audritsch, Louis.....	6014
Bachman, Mervin M.....	5978
Binns, Keith.....	5800, 5811
Bromley, Charles.....	5851
Compton, Raymond J.....	6125
Cross, James G.....	5861
Currie, John Patterson.....	5990
Dawson, Thomas S.....	5768, 5809
DeGiacomo, Robert.....	6162
Dillon, Joseph M.....	6209
Donoghue, James R.....	6118
Evans, Glen.....	5947
Farren, Harry D.....	6114
Faunce, George, Jr.....	5886, 5990
Giammasi, Angelo.....	6104
Hufert, Theodore.....	5918
Hession, Thomas A.....	6065
Holmes, Raymond E.....	6168
Jensen, Iris.....	5841
Kuskin, Harry H.....	6125
Litell, Charles A.....	5953, 5989
Long, Gary.....	5778, 5790
Lund, Stewart.....	5823
McDermott, Thomas A.....	6186
Neilsen, James T.....	6083
Patterson, Walter J.....	6023
Peterson, Eugene.....	5770
Pleister, W. B.....	5994
Ring, Phyllis.....	5792
Rohrdanz, Paul G.....	6174
Roitman, Harold P.....	6054
Salinger, Pierre, E. G.....	5766, 5822, 6021, 6170, 6206
Saville, Charles C.....	6193
Schultz, Carl M.....	6049
Smith, Merle.....	5869
Speiser, Raymond A.....	6166
Tudor, Wallace.....	6039, 6196, 6207
Webber, Roy W.....	6074
Wroblewski, Edmund E.....	6154

EXHIBITS

	Introduced on page	Appears on page
1. Four circulars prepared in the office of Mr. Lund and distributed at the Morton frozen-food plant.....	5788	6217-6220
2A-C. Two executed "family information" forms and one executed application for employment with Morton Frozen Foods, Inc.....	5794	(*)
3. Letter dated November 15, 1956, to Merle Smith, Bakery and Confectionery Workers' International Union of America, from Keith C. Binns, manager, Morton Frozen Foods, Inc.,.....	5813	(**)
4. Memorandum dated January 4, 1957, to all employees from Keith C. Binns, general manager, stating clarification of the management's recognition of the Bakers and Confectionery Workers' Union.....	5814	(**)
5. Letter dated February 12, 1957, to Keith Binns, manager, Mortons Frozen Foods, from Merle C. Smith, regional director of Bakery and Confectionery Workers' Union, giving list of names who had not signed papers authorizing the checkoff of union dues.....	5815	6221
6. Agreement of contract between Morton Frozen Foods and Webster City (Iowa) Bakers Union, Local 419, signed November 19, 1956.....	5850	(*)
7. Adaptability test forms given by Dr. Checov to employees of Whirlpool Corp.....	5941	(*)
8. List of employees in Whirlpool plant and weekly personnel summary or worksheets.....	5956	(*)
9. Card of Richard L. Ramsey, an employee of Whirlpool Corp., with notation "No good".....	5958	6222
10. Card of Richard E. Creager, an employee of Whirlpool Corp., with notation "Talked to boy's mother and father".....	5959	6223
11. Stack of cards of employees of the Whirlpool Corp., used in the card system to check on each employee.....	5960	(*)
12. Letter dated September 26, 1956, to Charles Litell from Dr. Checov.....	5978	(*)
13. Decision and order of the NLRB dated May 16, 1956, and its notice to all employees.....	5993	(*)
14A. Cartoon, Whirlpool employees vote "no" committee.....	6005	6224
14B. Cartoon, Whirlpool employees vote "no" committee.....	6005	6225
14C. Cartoon, Whirlpool employees vote "no" committee.....	6005	6226
14D. Cartoon, Whirlpool employees vote "no" committee.....	6005	6227
15. Bills rendered to Clyde Porcelain Steel Co., from Labor Relations Associates in connection with a union campaign ranging from April 1953 to July 31, 1956, in the amount of \$71,137.73.....	6009	(*)
16. General plan of attack as to how to deal with union problems, made up by Mr. Patterson of Labor Relations Associates.....	6010	(**)
17. Pages Nos. 1 to 74, daily reports of Walter Patterson.....	6032	(*)
18. Worksheets showing payments by Sears, Roebuck to Labor Relations Associates for special services fees.....	6053	(*)
19. Declaration-of-rights card.....	6071	6228
20. A handwritten document, unsigned, giving advice to the council on the type of letters that should be written to Sears, Roebuck & Co.....	6093	(*)
21. Letter dated May 23, 1955, to the employees of the Fenway Store, signed by Sears, Roebuck Employees, Council, Local 1.....	6114	6229
22. Check No. 2299 dated May 1, 1954, payable to E. W. Robey and signed by Shelton Shefferman of Labor Relations Associates.....	6161	6230
23. List of employees which were a part of the Sears, Roebuck employees' list, indicating their position toward unionization of the plant.....	6164	(*)

*May be found in the files of the select committee.

**May be found in the printed record.

EXHIBITS—Continued

	Introduced on page	Appears on page
24. Memorandum dated October 7, 1953, addressed to Mr. C. B. Caldwell from Reymond E. Holmes, re Boston-----	6169	6231- 6234
25. Bill from Labor Relations Associates to Sears, Roebuck & Co., dated April 30, 1955, "fees for services rendered during the month of April 1955, in the amount of \$4,313.96"-----	6195	(*)
26. Daily report dated November 16, 1955, charged to Sears, Roebuck & Co. in the amount of \$78.75 for attending Tobin funeral-----	6201	6235- 6236
27. Daily report dated November 17, 1955, charged Sears, Roebuck & Co. "\$17.75, car expenses, meals and tips, attending Tobin funeral"-----	6202	6237- 6238
28. Bill to Sears, Roebuck & Co., dated September 10, 1953, "disbursements for the month of August 1953 in the amount of \$425.29"-----	6202	6239- 6240
29. Bills obtained from the files of the Sears, Roebuck & Co., regarding Shefferman account-----	6207	(*)
30. Daily reports of Nathan and Shelton Shefferman for the years 1953, 1954, 1955, and 1956-----	6207	(*)
Proceedings of—		
October 22, 1957-----	5765	
October 23, 1957-----	5861	
October 24, 1957-----	5953	
October 25, 1957-----	6039	
October 28, 1957-----	6083	
October 29, 1957-----	6125	

*May be found in the files of the select committee.

INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

TUESDAY, OCTOBER 22, 1957

UNITED STATES SENATE,
SELECT COMMITTEE ON IMPROPER ACTIVITIES
IN THE LABOR OR MANAGEMENT FIELD,
Washington, D. C.

The select committee met at 10 a. m., pursuant to Senate Resolution 74, agreed to January 30, 1957, in the caucus room, Senate Office Building, Senator John L. McClellan (chairman of the select committee) presiding.

Present: Senator John L. McClellan, Democrat, Arkansas; Senator John F. Kennedy, Democrat, Massachusetts; Senator Sam J. Ervin, Jr., Democrat, North Carolina; Senator Pat McNamara, Democrat, Michigan; Senator Carl T. Curtis, Republican, Nebraska.

Also present: Robert F. Kennedy, chief counsel; Pierre E. G. Salinger, investigator; Ruth Young Watt, chief clerk.

The CHAIRMAN. The committee will be in order.

(Members of the select committee present at the convening of the session were Senators McClellan, Ervin, and Kennedy.)

The CHAIRMAN. We open a new series of hearings today to get information on the improper activities of management. These hearings center on one Nathan W. Shefferman, a Chicago labor-relations man who headed a firm apparently dedicated to the proposition that no employer need deal with a labor union unfriendly to their interests.

These hearings have significance in a number of ways:

1. We shall attempt to ascertain whether the National Labor Relations Act, better known as the Taft-Hartley Act, is sufficient to cope with the practices of certain antiunion employers.

2. We shall attempt to learn whether or not new legislation is needed to cope with the growing number of middlemen in the labor-management field.

The right of unions to exist and to organize and to engage in collective bargaining has long been on this Nation's lawbooks. In hearings of this committee, beginning last March, we have found that certain labor-union officials through coercion, bribery, and other methods have attempted to gain control over unwilling workers. We have also shown that unscrupulous labor leaders have in some instances gained control over workers and then sold out their interests to equally unscrupulous employers.

We feel that the American worker has as much right to be free from management coercion as from labor-union coercion in the determination of his decision whether or not to join a union.

The writers of the Taft-Hartley Act put certain restrictions on the activities of labor. They also put restrictions on management. These

hearings will attempt to learn whether or not there has been a deliberate and calculated effort to circumvent and defeat these provisions on behalf of management.

We will also seek information on whether the law dealing with unfair labor practices on the part of management needs strengthening.

The purpose of this hearing is to determine the true story of Mr. Shefferman's activities, his relationship to his many clients, and the types of services that he performed for them, with a view of ascertaining whether any of those actions or activities or his work in any way constituted illegal or improper practices.

All right, counsel, call your first witness.

Mr. KENNEDY. Mr. Chairman, I would like to call as the first witness a member of the staff who will give a little bit of background on the firm of Nathan Shefferman, as far as its earnings, and a little bit of its history and we will go into that in greater detail at a later date.

I wanted to at least start off by giving a little bit of the background of Mr. Shefferman's firm, and I will call Mr. Pierre Salinger.

The CHAIRMAN. Mr. Salinger, will you be sworn?

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. SALINGER. I do.

TESTIMONY OF PIERRE E. G. SALINGER

The CHAIRMAN. State your name and your place of residence and your business or occupation.

Mr. SALINGER. My name is Pierre Salinger; I reside at 3611 O Street, Washington, D. C., and I am a member of the staff of this committee.

The CHAIRMAN. Proceed.

Mr. KENNEDY. Mr. Salinger, have you made a study or has an associate of yours made a study of the finances of the firm of Mr. Shefferman?

Mr. SALINGER. We have; yes, sir.

Mr. KENNEDY. Now, he has a number of different interests; does he not?

Mr. SALINGER. He does, sir.

Mr. KENNEDY. And we are particularly interested in this hearing is interested in the Labor Relations Associates, Inc.

Mr. SALINGER. That is right.

Mr. KENNEDY. Of Chicago, is that right?

Mr. SALINGER. That is right.

Mr. KENNEDY. That has been in existence for how long, what period of time?

Mr. SALINGER. Labor Relations Associates was formed originally in 1939. It has been in existence since then.

Mr. KENNEDY. Since 1939?

Mr. SALINGER. That is right, sir.

Mr. KENNEDY. At that time Mr. Shefferman was associated with Sears, Roebuck & Co.?

Mr. SALINGER. Mr. Shefferman at that time was a labor relations man for Sears, Roebuck and this firm was set up as a kind of sideline

for him to handle other matters and some special matters for Sears, Roebuck.

Mr. KENNEDY. Now, was Mr. Nathan Shefferman's son, Mr. Shelton Shefferman, also interested in this company?

Mr. SALINGER. Yes, sir, he is.

Mr. KENNEDY. Now, have you made a breakdown as to the finances of this company over a period of the past 5 or 6 years?

Mr. SALINGER. We have.

Mr. KENNEDY. Would you tell the committee what you found?

Mr. SALINGER. First, in relation to Labor Relations Associates, Inc., of Chicago, the period January 1, 1949, through December 31, 1955, a period of 6 years, Labor Relations Associates of Chicago earned a total amount of \$2,481,798.88.

The CHAIRMAN. Over what period of time?

Mr. SALINGER. That is a period of 6 years.

The CHAIRMAN. Two million?

Mr. SALINGER. \$2,481,798.88. That is in retainer and per diem fees.

Mr. KENNEDY. How many clients, approximately, did Mr. Shefferman have, for instance, in 1956?

Mr. SALINGER. He had slightly more than 300 clients in 1956.

Mr. KENNEDY. And these clients would pay a retainer fee, plus per diem and expenses; is that right?

Mr. SALINGER. They were on a retainer basis and, where Mr. Shefferman's firm did special services for them, they would pay extra per diem fees based on the number of Mr. Shefferman's employees who would be assigned to the specific project.

(At this point, Senator McNamara entered the hearing room.)

Mr. KENNEDY. This \$2,400,000 figure encompasses all of these expenses, of per diem payments that have been made to Labor Relations Associates?

Mr. SALINGER. It does, sir.

Mr. KENNEDY. Now, out of that figure, how much had been used in expenses by Mr. Shefferman?

Mr. SALINGER. Out of the \$2,481,000, a total of \$2,379,566.41 has been used as expenses.

Mr. KENNEDY. Now, during this hearing, we are going to go into how some of this expense money was used; is that right?

Mr. SALINGER. Yes, sir.

Mr. KENNEDY. We are going to develop that.

Mr. SALINGER. That is correct.

Mr. KENNEDY. Mr. Shefferman had an office not only in Chicago, but he also had an office in Detroit; is that right?

Mr. SALINGER. He had an office in Detroit and an office in New York.

Mr. KENNEDY. And they serviced clients in all parts of the country; is that right?

Mr. SALINGER. That is right. The client list practically encompasses every State of the Union.

Mr. KENNEDY. Now, do you have it broken down as to what Mr. Shefferman himself and his son, Shelton Shefferman, drew from the company in salary and expenses and per diem?

Mr. SALINGER. I do.

Mr. KENNEDY. During this period of time. Could you give us those figures?

Mr. SALINGER. In the period from January 1, 1950, to December 31, 1956, Nathan Shefferman drew a total of \$246,600.45 in salary, expenses, and bonus payments from Labor Relations Associates of Chicago. In addition, he received a total of \$48,953.50 in special retainer fees from Sears, Roebuck & Co., for a total remuneration of \$295,553.95.

The CHAIRMAN. Over what period?

Mr. SALINGER. A 6-year period, Senator; January 1, 1950, to December 31, 1956.

(At this point, Senator Curtis entered the hearing room.)

Mr. SALINGER. During this same period, his son, Shelton Shefferman, drew a total of \$211,808.41, all of this from LRA. We are not going into these figures, into Mr. Nathan Shefferman's or Mr. Shelton Shefferman's outside activities or other investments, but just what they drew from Labor Relations Associates of Chicago.

Mr. KENNEDY. What is the total, then, for the Shefferman family?

Mr. SALINGER. The total is \$507,362.36 in that 6-year period.

The CHAIRMAN. Are there any questions? In other words, they averaged about \$80,000 a year for the 2 of them?

Mr. SALINGER. Yes, sir.

The CHAIRMAN. All right; you may stand aside.

Mr. KENNEDY. Mr. Chairman, the attorney for the Morton Frozen Foods Co. has a statement that he wishes to make, prior to our beginning the hearings on the Morton Frozen Food Co., which is one of the clients of Mr. Shefferman, and which we will develop as one of the cases here before the committee.

STATEMENT OF THOMAS S. DAWSON, ACCOMPANIED BY ROY ANDERSON

The CHAIRMAN. You are Mr. Dawson?

Mr. DAWSON. That is right.

The CHAIRMAN. And Mr. Anderson, is he here?

Mr. DAWSON. Yes, he is here.

The CHAIRMAN. Gentlemen, you have conferred with the chairman this morning briefly regarding your problem, and you have submitted to me a statement.

Do you wish to have that statement placed in the record?

Mr. DAWSON. I would like you to do that, please.

The CHAIRMAN. Would you identify yourself, please, for the record?

Mr. DAWSON. My name is Thomas S. Dawson. I am an attorney from Louisville, Ky.

This is Mr. Roy Anderson, who is assistant general counsel for the Continental Baking Co., of New York.

The CHAIRMAN. Do you have extra copies of this?

Mr. DAWSON. Yes, sir; I have a few, Senator.

The CHAIRMAN. I wish you would let the committee have them, please.

Mr. DAWSON. I have only three, sir; I am sorry.

The CHAIRMAN. I believe the Chair is going to permit you to read this statement into the record at this point so that all members of the committee may hear it. It is a brief statement and the Chair is going to permit you to read it into the record.

Mr. DAWSON (reading). Mr. chairman and gentlemen of the committee, I represent Morton Frozen Foods, a division of Continental Baking Co. Several witnesses have been subpoenaed to appear before the committee, presumably to give testimony concerning certain activities of agents or representatives of my client in connection with union problems at our Webster City, Iowa, plant.

I would like to move the committee to postpone or defer the taking of any testimony relating to Morton Frozen Foods until after the National Labor Relations Board has reached a decision on two matters which are now pending before it.

On July 25, 1957, the United Packinghouse Workers of America filed a petition with the National Labor Relations Board seeking recognition as the bargaining agent for all production and maintenance employees at the Webster City, Iowa, plant, notwithstanding the fact that there is now in effect a contract between Continental Baking Co. and the Bakery and Confectionary Workers International Union of America.

On July 23, 1957, this same union instituted proceedings with the National Labor Relations Board claiming unfair labor practices by Morton Frozen Foods. As a basis for the charges, it is claimed that the contract with the bakers' union was entered into without knowledge or participation by the employees affected, and as a result of collusion between the employer and the union, and, therefore, no bar to the organization efforts of the packinghouse workers and an election.

Obviously, the testimony which this committee proposes to hear at this time is the very testimony which the union would like to produce for the Labor Board in support of its charges.

The production of such testimony at a public hearing before this committee will seriously prejudice my client's rights in the cases now pending before the Labor Board. We have no right to cross-examine the witnesses appearing before this committee and the usual rules of evidence do not apply.

Widespread publicity of this testimony—much of it would be incompetent under the usual rules of evidence—will clearly prejudice the company's rights, with the result that the issue now pending before the Labor Board may be prejudiced.

We, therefore, insist that we are entitled to a postponement of this part of the hearing. That is respectfully submitted to the committee.

The CHAIRMAN. Is there any further statement you wish to make about it?

Mr. DAWSON. Not at this time.

The CHAIRMAN. We will have a conference of the committee at this time.

(Whereupon, a short recess was taken.)

The CHAIRMAN. The committee has conferred on the request made by counsel for the company.

Mr. DAWSON. The Continental Bakeries.

The CHAIRMAN. It has been the policy of this committee where one is charged with a crime, where he is indicted and a criminal case is pending, not to go into the matter at issue, the facts as they relate to the criminal offense. Generally we have been able to avoid doing that. There may have been an exception or two here and there, but this presents a question now of a civil matter pending. That is what it actu-

ally is, where some evidence taken here may be pertinent to the inquiry, to the issue, described before the National Labor Relations Board. But I do not see how the committee can stop its work and defer to all cases that may be pending and that later may develop during the time this committee is carrying out its assignment.

I do not want to be unfair to anyone. I want to show every deference for problems that people have who come before the committee. But we have a task here to try to get information to enable the Congress to legislate. Whatever is developed here will be information for both sides. They will have the same information. It might enable you better to try your case, actually, when the time comes to be heard by the National Labor Relations Board. It may really be an advantage for you. I do not know.

At any rate the committee, I believe, has unanimously agreed with the Chair that the matter cannot be postponed for the reasons stated. Your objections are in the record, and your request. We will proceed to hear the testimony that this committee is interested in with respect to what may or may not have been improper practices on the part of the company or its representatives.

All right, Mr. Counsel, call your first witness.

Mr. KENNEDY. The first witness, Mr. Chairman, is Mr. Eugene Peterson, United Packing House Workers Union of America.

Mr. DAWSON. Thank you, Mr. Chairman.

The CHAIRMAN. You will be sworn, please, sir. You do solemnly swear that the evidence you shall give before this Senate Select Committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. PETERSON. I do.

TESTIMONY OF EUGENE PETERSON

The CHAIRMAN. State your name, your place of residence and your business or occupation.

Mr. PETERSON. I am Eugene Peterson. I am a field representative of the United Packing House Workers of America. I reside at Estherville, Iowa, at 920 North 12th Street.

The CHAIRMAN. What organization do you represent? I didn't quite understand.

Mr. PETERSON. The United Packing House Workers of America, AFL-CIO.

The CHAIRMAN. United Packing House Workers of America?

Mr. PETERSON. Right.

The CHAIRMAN. All right.

The Chair might inquire if you waive counsel. Under the rules of the committee you have a right to have counsel present when you testify, if you so desire.

Mr. PETERSON. No, I don't want any.

The CHAIRMAN. You waive counsel.

All right, Mr. Kennedy.

Mr. KENNEDY. How long have you been with the union, Mr. Peterson?

Mr. PETERSON. I have worked for the United Packing House Workers—I probably should go back.

I have been with the United Packing House Workers Union for approximately 17 years as a local union officer, and at the present time I am a field representative of the union.

Mr. KENNEDY. And during this period of time, did you make some efforts to organize various plants in the Midwest?

Mr. PETERSON. Yes.

Mr. KENNEDY. Was one of those plants that you were trying to organize the Morton Frozen Food Co.?

Mr. PETERSON. It was.

Mr. KENNEDY. When was that?

Mr. PETERSON. About June 1955, about the middle of June. I think we started then.

Mr. KENNEDY. You went in with some fellow organizers and attempted to get the interest of the workers there?

Mr. PETERSON. I was in there myself.

Mr. KENNEDY. You worked there yourself?

Mr. PETERSON. Yes. I was under the direction of Director Bull.

Mr. KENNEDY. Did you find that there was some opposition from the company and from the employees to your organizational drive?

Mr. PETERSON. There was some objection on the part of the company.

Mr. KENNEDY. On the part of the company?

The CHAIRMAN. Speak a little louder. This microphone is not carrying. I am having trouble following you and hearing you. Speak a little louder.

Mr. KENNEDY. There was opposition, you felt, from the company to your organizational drive; is that right?

Mr. PETERSON. Yes; there was.

Mr. KENNEDY. Was there also an alleged spontaneous committee set up against affiliating with your union?

Mr. PETERSON. Yes; there was.

Mr. KENNEDY. Do you remember what the name of that committee was?

Mr. PETERSON. "We, the Morton Workers."

Mr. KENNEDY. "We, the Morton Workers"?

Mr. PETERSON. Right.

Mr. KENNEDY. What was their function? What were they doing?

Mr. PETERSON. They would handbill the plant.

Mr. KENNEDY. What does that mean?

Mr. PETERSON. Standing out in front and passing out leaflets to the workers as they entered the plant.

Mr. KENNEDY. Did they work generally against the union?

Mr. PETERSON. Yes.

Mr. KENNEDY. Did you understand that the company had anything to do with that committee?

Mr. PETERSON. The people in the plant at the time at the union meetings would tell us that they were sure that this committee was instigated by the company.

Mr. KENNEDY. But you had no proof or evidence of it?

Mr. PETERSON. No.

Mr. KENNEDY. Were they very active?

Mr. PETERSON. Yes; very active.

Mr. KENNEDY. They were working to try to keep the employees from joining up, affiliating, with your union: is that right?

Mr. PETERSON. They tried to get them to vote "no" at the election.

Mr. KENNEDY. There was an election subsequently?

Mr. PETERSON. Yes; on November 22, 1955.

Mr. KENNEDY. What was the result of that election?

Mr. PETERSON. I believe it was 196 to 103, and 14 were challenged.

Mr. KENNEDY. That was against your union?

Mr. PETERSON. Yes.

Mr. KENNEDY. Against affiliating with your union?

Mr. PETERSON. Right.

Mr. KENNEDY. During this period of time, did the company take any action against any of the employees that were sympathetic toward your union?

Mr. PETERSON. Yes, there was a number of cases where the people were discriminated against. They were told at various times that they shouldn't visit with the union representative.

Mr. KENNEDY. Would you speak up a little bit, please?

Mr. PETERSON. They shouldn't visit with the union representative if he came, and they didn't want them to attend union meetings.

Mr. KENNEDY. Was there anybody that you knew that was fired because of the fact that they had worked with you?

Mr. PETERSON. Well, there was definitely people fired during the campaign.

Mr. KENNEDY. But it was difficult for you to pin it down that that was the reason?

Mr. PETERSON. Right. Never could be established.

Mr. KENNEDY. But a number of these people had been sympathetic toward affiliating with your union; is that right?

Mr. PETERSON. Yes.

Mr. KENNEDY. After you lost the election, did you learn that another union had come in there and was interested in organizing the workers?

Mr. PETERSON. Yes.

Mr. KENNEDY. What union was that?

Mr. PETERSON. The Bakery and Confectionery Workers Union.

Mr. KENNEDY. Can you tell us how you learned about that?

Mr. PETERSON. I received a telephone call in Chicago some time, I believe, during the month of October last year. I was in negotiations with John Morrell & Co., in Chicago. I received a call from a former employee that there was another union coming into the plant. My work in Chicago kept me from going back to Webster City right away. I drove back from Chicago and went through Webster City and I met a lady on the street and she told me that there was a union—her first remark was she says, "Pete," she says, "aren't you with the union any more?"

And I said "Yes." She said "Well, there is a union trying to get into the plant."

I asked her what union it was, and she said the Bakery and Confectionery Workers Union.

The CHAIRMAN. That is a legitimate union; is it not?

Mr. PETERSON. I think so; yes.

The CHAIRMAN. All right.

Mr. KENNEDY. Did you learn, did you ultimately learn that they were successful in getting into the plant?

Mr. PETERSON. Yes.

Mr. KENNEDY. Did you learn that they were being opposed by management as you had been opposed by management?

Mr. PETERSON. I heard that there was no opposition.

Mr. KENNEDY. There was no opposition to the bakery workers when they tried to organize in there?

Mr. PETERSON. Right.

Mr. KENNEDY. In your experience, had you ever had as much opposition from a company as you had had in this company you wanted to organize?

Mr. PETERSON. I have never had as much opposition in organizing a plant as I got in Webster City.

Mr. KENNEDY. But when the bakery workers union came along, you understood that there was no opposition to them; is that right?

Mr. PETERSON. That is right. I have been told that they had their organizers right in the plant.

Mr. KENNEDY. Was there literature sent around to the various employees when you were trying to organize? For instance, the Militant Truth?

Mr. PETERSON. Yes. I recall that.

Mr. KENNEDY. Do you know of that newspaper?

Mr. PETERSON. Yes.

Mr. KENNEDY. Could you tell us about that?

Mr. PETERSON. Well, it is a paper—I believe it is printed in Atlanta, Ga., I believe it is, and it has a lot of material in it that is very anti-union. I don't know too much more about the paper. It is the first time I had ever seen it.

Mr. KENNEDY. But all the employees received that?

Mr. PETERSON. I believe so. At different union meetings, we would ask how many got the copy of the Militant Truth, and everyone would hold up their hands at the meetings.

The CHAIRMAN. How did it come to them? Was it just distributed among them or was it sent through the mails?

Mr. KENNEDY. Did you understand or learn at that time that Mr. Shefferman or Mr. Shefferman's office was involved in the opposition to you?

Mr. PETERSON. Are you still back in 1955?

Mr. KENNEDY. Yes.

Mr. PETERSON. I didn't know it at that time.

Mr. KENNEDY. You did not know?

Mr. PETERSON. No.

Mr. KENNEDY. So you have recited all the facts that you know about the case up until the last couple months; is that right?

Mr. PETERSON. Yes, I think so.

Mr. KENNEDY. That is all, Mr. Chairman.

The CHAIRMAN. What did this amount to? I am trying to get the significance of your testimony. You went in to organize, for which union is that?

Mr. PETERSON. The United Packing House Workers of America.

The CHAIRMAN. The United Packing House Workers of America?

Mr. PETERSON. Yes.

The CHAIRMAN. You failed in that effort. A little later along came another union, the bakers and confectionery workers union, and organized the plant; is that right?

Mr. PETERSON. Yes.

The CHAIRMAN. While you encountered, as you say, serious opposition, effective opposition, when you tried to organize?

Mr. PETERSON. Yes.

The CHAIRMAN. Is it your understanding that when the other union came along, there was no opposition. What do you mean by that, that the men had changed their minds and decided they wanted to belong to the union?

Mr. PETERSON. That is difficult for me to answer. I mean, I don't know for sure—

The CHAIRMAN. Well, what I am trying to find out is, was it a case of the men, the workers making the choice as to which union they preferred to belong to? Or was there some collusion or some arrangement with management?

What is the significance of it, if you know?

Mr. PETERSON. Well, I am quite sure that if the opposition had been against this union that was put against ours, it probably would have lost.

The CHAIRMAN. What opposition do you mean? Opposition from the men or opposition from the management?

Mr. PETERSON. Opposition from the management, sir.

The CHAIRMAN. From the management?

Mr. PETERSON. Yes.

The CHAIRMAN. I am trying to get this clear.

Mr. KENNEDY. Mr. Chairman, all Mr. Peterson can recite is what occurred as far as he knew it at the present time. Other witnesses will fill in the gaps as to what actually was going on. It is very significant, for instance, about the committee being formed. He doesn't know the background of that at the present time, but further witnesses will establish how the committee was formed, how it was financed, and what it did. I wanted him on to testify as to what his experiences were with the company at that time.

The CHAIRMAN. I just wanted to get it clear.

Mr. PETERSON. Mr. Chairman, if I might make a statement at this time—could I do that?

The CHAIRMAN. Yes, sir.

Mr. PETERSON. I would like to say that our union is very much in support of the committee in this type of—I don't have the word right here—we are fully in support of the committee's actions. I also want to state that I am fully in support of the AFL-CIO ethical practices committee.

If there is anything further that I could help the committee with, I would be happy to do it.

The CHAIRMAN. We thank you on behalf of the committee. I would say this to you, that I think every union man in the country, every workingman, should certainly support the ethical practices code set up by the AFL-CIO. I have read them. There is nothing wrong about them. In fact, if they are observed, they would go a long way toward cleaning up some things that should be cleaned up.

Senator Curtis?

Senator CURTIS. What products are manufactured at Webster City in this plant?

Mr. PETERSON. Frozen pies.

Senator CURTIS. Meat pies?

Mr. PETERSON. Yes, meat pies, fruit pies, TV dinners, and similar items.

Senator CURTIS. How many employees do they have?

Mr. PETERSON. Approximately 300, I think, sir.

Senator CURTIS. You said that there were a number of cases of discrimination against individuals who were active in behalf of your union. Will you name some of those and tell us what was done?

Mr. PETERSON. There was a number of people—I will say there were people. There is a lady at the present time that I understand is doing undesirable work because of her activities during—

Senator CURTIS. She is doing what?

Mr. PETERSON. Undesirable work. I mean work that she wasn't on at that time.

Senator CURTIS. What is that lady's name?

Mr. PETERSON. Pardon?

Senator CURTIS. What is that lady's name?

Mr. PETERSON. If it would be possible, Mr. Chairman, I kind of hate to name the people.

The CHAIRMAN. Give it to the Senator privately.

Senator CURTIS. I will withdraw the question.

Mr. PETERSON. I sure will.

Senator CURTIS. I will withdraw the question.

Mr. PETERSON. I would hate to get anybody's job on the hook over this.

The CHAIRMAN. You can submit the name.

Mr. PETERSON. I will, sir.

Senator CURTIS. How many people were fired?

Mr. PETERSON. I suppose that there was 2 or 3 fired. I think the record will show during our hearing at the NLRB when they were crossing off people that weren't working at the plant, that they had either quit or had been discharged during that period.

Senator CURTIS. These handbills that were handed out, what did they say?

Mr. PETERSON. That "We, the Morton Workers" put out?

Senator CURTIS. Yes. Do you have one with you?

Mr. PETERSON. I have supplied the committee with handbills that were put out, sir.

Senator CURTIS. That is all, Mr. Chairman.

The CHAIRMAN. Senator McNamara?

Senator McNAMARA. Mr. Chairman, I would like to ask the witness a few questions.

This activity in 1955, was it before the merger of the AFL-CIO? Were you representing then only the CIO?

Mr. PETERSON. I believe that was before the merger, yes.

Senator McNAMARA. You don't know?

Mr. PETERSON. I believe it was before.

Senator McNAMARA. You don't know?

Mr. PETERSON. Not for sure, no.

Senator McNAMARA. You don't know anything for sure, do you? I mean, you make statements "I believe," and "I understand," and "I heard." You don't make a positive statement about anything. Don't you know that this was before the merger?

Mr. PETERSON. Yes, it was before. I am sure.

Senator McNAMARA. I don't see why you are so reluctant to say it. It is a matter of record. Anybody can read it in the newspapers; go back and read the old copies. I don't understand why you are so reluctant to answer.

What was your jurisdiction? Was it spelled out in your charter from the CIO?

Mr. PETERSON. Yes. We had jurisdiction in the food industry.

Senator McNAMARA. Generally in the food industry?

Mr. PETERSON. Yes.

Senator McNAMARA. No limits at all?

Mr. PETERSON. Meat, food—

Senator McNAMARA. The ordinary term of "packinghouse" indicates slaughtering house and meat processing, doesn't it?

Mr. PETERSON. Yes.

Senator McNAMARA. This is ordinarily a field that, it would seem to the layman at least, or somebody who was not close to the picture as you are, would be questionable as far as packinghouse workers are concerned.

Mr. PETERSON. Well, we have other plants that have the same type of product, manufactured in Omaha, Nebr.

Senator McNAMARA. Then actually the competition between the bakery workers and the packinghouse workers in this case was really competition between two international unions, wasn't it, the CIO and the AFL?

Mr. PETERSON. Yes. Well, during this campaign, it was both AFL-CIO.

Senator McNAMARA. Do you mean the packinghouse workers were AFL, too?

Mr. PETERSON. This year, yes.

Senator McNAMARA. Now we are talking about 1955.

Mr. PETERSON. The bakery and confectionery workers were not in there at that time.

Senator McNAMARA. They were in the AFL?

Mr. PETERSON. Yes. They weren't in Webster City, Iowa, though.

Senator McNAMARA. They came in in an attempt to organize at that time, is that right?

Mr. PETERSON. In 1956, I believe.

Senator McNAMARA. Then who was the opposition in 1955? Nobody but the company union?

Mr. PETERSON. No other union except our union was in there at that time.

Senator McNAMARA. I see.

Mr. PETERSON. There was an amalgamated meatcutters hearing that intervened at the hearing, but they did not go on the ballot. It was only no union or our union.

Senator McNAMARA. You mentioned that you got considerable opposition from the company. Wasn't that the usual practice when you went in to organize a plant? Didn't you generally get opposition?

Mr. PETERSON. Yes, you generally get opposition, but I have never seen a committee formed like this before.

Senator McNAMARA. Do you mean a company union committee?

Mr. PETERSON. I couldn't say it was a company union, because I don't believe there was ever any officers picked.

Senator McNAMARA. It wouldn't be unusual for the company to attempt to resist organization. What was unusual about this case, the picking of a committee?

Mr. PETERSON. Yes, the picking of a committee.

Senator McNAMARA. You said you heard that there was no opposition in 1956 when the bakery—what do you call it?—the bakery and confectionery workers union came in. You heard there was no opposition? Who did you hear that from?

Mr. PETERSON. From employees that work in the plant.

Senator McNAMARA. Your members?

Mr. PETERSON. Our friends, yes, and members probably.

Senator McNAMARA. That is all, Mr. Chairman.

The CHAIRMAN. Senator Kennedy?

Senator KENNEDY. What is the difference between the salaries paid at that time in a plant doing comparable work, such as the one in Nebraska, and the wage being paid in this plant at the time you were attempting to organize them?

In other words, I want to get how much it would cost the company in wages to have had you in there if you had been successful.

Mr. PETERSON. In 1955, our union checked the rates of pay between the Ocoma Foods Plant—it is in Omaha, Nebr.—we checked the rates, and that is under our union contract, we checked the rates and came to an average that there would be approximately 26 cents per hour difference and approximately 48 cents per hour on men.

The first figure was female, 26 cents. That would figure about \$540 a year per employee on the average hours that they were working at that time.

Senator KENNEDY. How many employees were there?

Mr. PETERSON. I would venture there were around 200 women employees and approximately 100 men. It seemed like about two-thirds of the plant were women. Roughly, I suppose that would probably be \$100,000 that they would save on women employees.

Senator KENNEDY. It would be \$170,000.

Mr. PETERSON. I was figuring this on the female employees only. It would be about \$100,000. On the men it would probably be another \$95,000 or something like that.

Senator KENNEDY. So that in short, if you would have been successful in organizing it and put in comparable rates for comparable work with another plant in which you did have an organization, it would have cost the company around \$200,000 a year.

Now, as I understand it, it is your suggestion, and I imagine other witnesses will fill in the story, that the company used extraordinary efforts or efforts that you had not experienced before in your organizing experience, to prevent your union from coming into the company and representing the workers.

Mr. PETERSON. Yes, sir.

Senator KENNEDY. And I assume that later witnesses will detail that. Now, the bakery workers at that time were led by Mr. Cross?

Mr. PETERSON. He is their international president.

Senator KENNEDY. And he was at that time in a responsible position in the bakery workers, is that right? At that time he was in the International Bakery Workers?

Mr. PETERSON. I am sure he was.

Senator KENNEDY. Mr. Cross is the same Mr. Cross that has been before this committee, is he not?

Mr. PETERSON. I have read in the paper, yes, that Mr. Cross has been before the committee.

Senator KENNEDY. Thank you.

The CHAIRMAN. All right, stand aside.

Mr. KENNEDY. Mr. Gary Long, Mr. Chairman.

The CHAIRMAN. Do you solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. LONG. I do.

TESTIMONY OF GARY LONG

The CHAIRMAN. State your name, your place of residence, and your business or occupation.

Mr. LONG. My name is Gary Long and I live at Whittier, Calif., 14035 Dickey Street, at the present time I am unemployed.

The CHAIRMAN. At the present time you are what?

Mr. LONG. I am unemployed.

The CHAIRMAN. You are unemployed?

Mr. LONG. Yes, sir.

The CHAIRMAN. What has been your work in the past?

Mr. LONG. I have been in the frozen food line for 2½ years.

The CHAIRMAN. Where did you formerly work?

Mr. LONG. Morton Frozen Foods, at Webster City.

The CHAIRMAN. You have a right to have counsel present if you desire while you testify. Do you waive counsel?

Mr. LONG. I waive that right.

The CHAIRMAN. You have talked to members of the committee staff, have you, about this matter?

Mr. LONG. Yes, sir.

The CHAIRMAN. All right, Mr. Kennedy, proceed.

Mr. KENNEDY. Mr. Long, you were working for the Morton Frozen Food Co. at the time the packinghouse workers came in and tried to organize?

Mr. LONG. That is correct.

Mr. KENNEDY. In connection with that did you have an interview with a man by the name of Jack Nevett?

Mr. LONG. Yes, sir.

Mr. KENNEDY. Who was Jack Nevett?

Mr. LONG. He was a man that was hired by management to come in and break up this particular union.

Mr. KENNEDY. Where did you understand he had come from?

Mr. LONG. I understood at first he worked with Morton's full time and he was a personnel man.

Mr. KENNEDY. Did he tell you that?

Mr. LONG. Yes, sir.

Mr. KENNEDY. Did you understand later on that he had a different position?

Mr. LONG. That is right.

Mr. KENNEDY. What did he tell you later on?

Mr. LONG. That he worked for Nathan Shefferman in Chicago and he had been sent out there especially to break up the organization of the packinghouse workers.

Mr. KENNEDY. Where did you first come across him and how did you first meet him and what was he doing?

Mr. LONG. He was interviewing all of the employees of the plant and more or less getting a general feeling of what they thought about unions.

Mr. KENNEDY. Did the employees understand that that is what he was there for, to find out what they thought of unions?

Mr. LONG. I don't know.

Mr. KENNEDY. Did you have any conversations with him about what your position should be in this whole matter?

Mr. LONG. Yes, sir.

Mr. KENNEDY. What did he say to you about that? First, what was your position at that time?

Mr. LONG. I would say that I was—you mean my job?

Mr. KENNEDY. Yes.

Mr. LONG. I took care of the wrapping supplies and packaging supplies, inventory control.

Mr. KENNEDY. Now, what conversations did you have with him, with Mr. Nevett, about what you should do in connection with the packinghouse workers?

Mr. LONG. Well, he wanted to know how my feelings were about unions and I told him that I really didn't know too much about it, but I wasn't too interested in having a union in there.

Mr. KENNEDY. And did you hear about this later on?

Mr. LONG. Yes, sir.

Mr. KENNEDY. Did you hear anything further?

Mr. LONG. Yes, sir.

Mr. KENNEDY. What occurred; could you tell us that?

Mr. LONG. Do you want me to tell about the organization of the committee and so on?

Mr. KENNEDY. You told Mr. Nevett that you were not too fond of unions; and then what happened after that?

Mr. LONG. Well, that was about the last I saw of him for a while and he left town, and he came back and then that is about it.

Mr. KENNEDY. And then you had a conversation with Mr. Binns, did you?

Mr. LONG. Yes, sir.

Mr. KENNEDY. What was Mr. Binns' position?

Mr. LONG. At that time he was the manager of the plant in Webster City.

Mr. KENNEDY. Mr. Keith Binns?

Mr. LONG. Yes, sir.

Mr. KENNEDY. He was manager of the plant?

Mr. LONG. Right.

Mr. KENNEDY. Tell us about the formation of the committee.

Mr. LONG. Mr. Binns and I were fairly good friends and we bowled together, and he knew my feelings about this union and so he stopped me one day and told me to come in the office. So I came in there and he said, "We would like to be given another chance here. We have just

been here a short time and we would like to give the people a chance to see what we can do."

So he said, "I would like you to help me on this by forming a committee to keep this union out." He then in turn, told me, or myself and another fellow——

Mr. KENNEDY. What is the other man's name?

Mr. LONG. Clifford Hayes.

Mr. KENNEDY. Who was also an employee of the Morton Frozen Food Co.?

Mr. LONG. Yes, sir. He told us to go up and see a local attorney in Webster City, Stuart Lund, and that the Morton Co. had acquired his services, but we were to go up there and tell Mr. Lund that we went up there on our own accord and we were not to say anything to anybody about the Morton Co. sponsoring this opposition.

Mr. KENNEDY. But he told you at that time that the Morton Frozen Food Co. had retained Stuart Lund to act as an adviser to this so-called spontaneous committee: is that right?

Mr. LONG. I could not truthfully say that he said he was retained.

Mr. KENNEDY. But they had acquired his services?

Mr. LONG. Correct.

Mr. KENNEDY. To be an adviser to this committee?

Mr. LONG. That is right.

Mr. KENNEDY. No arrangements had been made for you to pay Mr. Stuart Lund; had there?

Mr. LONG. No, sir.

Mr. KENNEDY. Did you ever pay Mr. Stuart Lund for services that he did perform?

Mr. LONG. Not actually paid him. We took up a collection and bought him a set of steak knives.

Mr. KENNEDY. But no money was given to him?

Mr. LONG. No, sir.

Mr. KENNEDY. Do you know whether the Morton Frozen Food Co. gave him money?

Mr. LONG. No, sir.

Mr. KENNEDY. So you and Clifford Hayes went down to see Stuart Lund?

Mr. LONG. That is right.

Mr. KENNEDY. Did you form a committee?

Mr. LONG. That is right.

Mr. KENNEDY. What was the committee called?

Mr. LONG. "We, the Morton Workers."

Mr. KENNEDY. Were you told at that time by Mr. Lund or by Mr. Binns that the company sponsoring this committee was a violation of the Taft-Hartley Act?

Mr. LONG. No, sir.

Mr. KENNEDY. Did you know it at the time?

Mr. LONG. No, sir.

Mr. KENNEDY. But he told you to keep it secret that the company had sent you up there: is that right?

Mr. LONG. Yes, sir.

Mr. KENNEDY. What did you do then, and what did the committee do, and what were its functions?

Mr. LONG. Well, we picked 3 or 4 more of our friends and brought them up to the office one night, and we prepared this antiunion or these antiunion leaflets and passed them out in front of the plant after work.

Mr. KENNEDY. Now, were you also running a check on the employees, the other employees in the plant, to find out whether they were pronion or antiunion?

Mr. LONG. Yes, sir.

Mr. KENNEDY. How were you going about doing that?

Mr. LONG. Mr. Nevett had a list of all of the employees of the plant, and we would go down that list and check off the ones we thought would vote "Yes" and the ones we thought would vote "No."

Mr. KENNEDY. Mr. Nevett had come back in the meantime, had he, and he was going back and forth to Chicago?

Mr. LONG. Yes; but he didn't have anything to do with the meetings in Mr. Lund's office. As far as the other people were concerned, no one knew about Mr. Nevett except Mr. Hayes and myself.

Mr. KENNEDY. Where would you meet Mr. Nevett?

Mr. LONG. In the plant.

Mr. KENNEDY. Whereabouts?

Mr. LONG. In Mr. Binn's office.

Mr. KENNEDY. That is the general manager's office?

Mr. LONG. That is correct.

Mr. KENNEDY. And you would go over with him, in Mr. Binns' office, the list of employees, checking off those who were pronion or antiunion; is that right?

Mr. LONG. Would you repeat that question?

Mr. KENNEDY. You would meet with Mr. Nevett in Mr. Binns' office and check over the employees at that time as to whether they were pronion or antiunion?

Mr. LONG. That is right.

Mr. KENNEDY. And the ones that you found that were antiunion, was there action taken in connection with them by the management?

Mr. LONG. I would say so; yes, sir.

Mr. KENNEDY. Do you know a number of instances where people were fired because of the fact that they were in favor of the union?

Mr. LONG. Yes.

Mr. KENNEDY. Speak up, please.

Mr. LONG. Well, I cannot actually say that I know that.

Mr. KENNEDY. Did Mr. Binns tell you or did he say anything to you about what action would be taken against people who were favoring the union.

Mr. LONG. Yes, sir.

Mr. KENNEDY. Tell us what he said to you.

Mr. LONG. He made the comment that "there are two that won't be with us much longer."

Mr. KENNEDY. They were people in favor of the union?

Mr. LONG. Right.

Mr. KENNEDY. Were they there much longer?

Mr. LONG. No.

Mr. KENNEDY. Now, you know their names; do you not?

Mr. LONG. Yes, sir; I do.

Mr. KENNEDY. Would you give us those names, please?

The CHAIRMAN. Are they working there now?

Mr. LONG. No, sir.

The CHAIRMAN. They are not working at that plant?

Mr. LONG. No, sir.

The CHAIRMAN. You think giving of their names might hurt them some way, in their present work, or present employment?

Mr. LONG. I don't know, sir.

The CHAIRMAN. Well, are you pretty certain now that they were discharged simply because they favored a union? Let us get that straight.

Mr. LONG. In my own mind, I am.

The CHAIRMAN. You are convinced of it in your own mind?

Mr. LONG. I am; yes, sir.

The CHAIRMAN. What convinced you? Was it what Mr. Binns said to you?

Mr. LONG. Yes, sir.

The CHAIRMAN. What else?

Mr. LONG. Oh, I would say these two people were very good workers and I could see no other reason for them losing their jobs.

Senator CURTIS. There were 103 that voted for the union?

Mr. LONG. I believe that figure is correct.

Senator CURTIS. How many were fired?

Mr. LONG. Two I would say, that I know of.

Senator CURTIS. Now, was that because they favored a union, or because of something that they did?

Mr. LONG. Well, I don't know.

Senator CURTIS. Was there an effort made to fire everyone who favored the union?

Mr. LONG. I wouldn't say that because there was actually—they probably didn't know all of them who favored the union, but they knew the ones who were working very strongly to get the union in there.

Senator CURTIS. It was not because of their belief but because of their activity?

Mr. LONG. That is right.

Senator CURTIS. And that activity was in reference to getting the union organized?

Mr. LONG. That is right.

Senator CURTIS. Would you describe them as ringleaders in the organization movement?

Mr. LONG. Yes, sir.

Senator CURTIS. That is all.

Senator KENNEDY. I think while we do not perhaps want their names in public, I think that their names ought to be furnished to the counsel by this witness, in case this is challenged by management witnesses, and I think we ought to have a pinpoint of exactly whom we are talking about.

Mr. LONG. Yes, sir.

Mr. KENNEDY. He has furnished the names already.

The CHAIRMAN. The names have been furnished to the staff and we have the names and it is a question of whether we need to place it in a public record.

At this time we will not place them in the record and we will determine about it later. They can be inserted in the record at this point, if the committee determines to do it.

Mr. KENNEDY. Mr. Binns, who was the general manager, made a statement about these people prior to the time that they left the company; did he not?

Mr. LONG. That is right.

Mr. KENNEDY. And would you repeat the statement that he made?

Mr. LONG. "They won't be here much longer."

Mr. KENNEDY. That was in connection with their union activity?

Mr. LONG. That is right.

Mr. KENNEDY. Now, while doing this work against the union, did you receive any extra compensation yourself? First, were you told you were to receive any extra compensation?

Mr. LONG. Yes.

Mr. KENNEDY. What was told you and by whom?

Mr. LONG. Mr. Binns said, "We will make it right with you."

Mr. KENNEDY. For the work you were doing against the union?

Mr. LONG. Yes, sir.

Mr. KENNEDY. Was it made right with you?

Mr. LONG. Yes. Several months after the election, I received a substantial raise in pay.

Mr. KENNEDY. Did you also get other compensations?

Mr. LONG. No, sir.

Mr. KENNEDY. Did you receive the use of the station wagon?

Mr. LONG. Not exactly the use of it, but I got the particular job of driving it which would add many hours onto my paycheck.

Mr. KENNEDY. So you received the compensation as far as hourly increase as well as being allowed to work longer hours and receive extra pay that way; is that right?

Mr. LONG. Yes, sir.

Mr. KENNEDY. Did your colleague, Mr. Hayes, also receive extra compensation?

Mr. LONG. I don't know.

Mr. KENNEDY. Did he tell you that he did?

Mr. LONG. He said that he had not.

Mr. KENNEDY. You do not know about that?

Mr. LONG. I don't know.

Mr. KENNEDY. Now, Mr. Nevitt was identified to you at a later time or during this period of time, as working for Mr. Shefferman?

Mr. LONG. Yes, sir.

Mr. KENNEDY. Did you know anything about that firm at that time?

Mr. LONG. No, sir.

Mr. KENNEDY. Now, after the election in which the packinghouse workers were defeated, did another union come in there?

Mr. LONG. Yes, sir.

Mr. KENNEDY. That was the bakery workers?

Mr. LONG. Yes, sir.

Mr. KENNEDY. Now, did you start to form "We the Morton Workers" committee to deal with the bakery workers?

Mr. LONG. No, sir.

Mr. KENNEDY. Did Mr. Binns suggest that you form a "We the Morton Workers" then?

Mr. LONG. No.

Mr. KENNEDY. Did he seem to be in fact, in favor of the bakery workers?

Mr. LONG. Yes, sir.

Mr. KENNEDY. Were you surprised a bit?

Mr. LONG. Yes, sir.

Mr. KENNEDY. Hadn't you been told, and hadn't you been telling your fellow employees, how bad unions were, and hadn't he told you at that time?

Mr. LONG. Yes, sir.

Mr. KENNEDY. And this was a complete reversal of that; is that right?

Mr. LONG. Yes, sir.

Mr. KENNEDY. Did you speak to Mr. Binns about that?

Mr. LONG. Yes, sir.

Mr. KENNEDY. What did he say?

Mr. LONG. He didn't have any comments except that his hands were tied and he didn't have anything to do with it.

Mr. KENNEDY. Did somebody come to Webster City to attempt to assist in the organizational drive of the bakery workers?

Mr. LONG. Yes, sir.

Mr. KENNEDY. And who was that?

Mr. LONG. Mr. Bromley; that is the name.

Mr. KENNEDY. Did he know where he was from?

Mr. LONG. No, sir.

Mr. KENNEDY. But a Mr. Charles Bromley arrived at the Webster City plant?

Mr. LONG. Yes, sir.

Mr. KENNEDY. And did he assist the bakery workers in signing up the employees?

Mr. LONG. Yes, sir.

Mr. KENNEDY. And he did not identify who he was?

Mr. LONG. No, sir.

Mr. KENNEDY. Did the management itself assist in signing up employees in favor of the bakery workers? Do you know that?

Mr. LONG. Well, it was just that Bromley—by giving him the right to sign people up in the plant.

Mr. KENNEDY. He actually came into the plant to sign up the people?

Mr. LONG. Yes, sir.

Mr. KENNEDY. Had the packinghouse workers' representative ever been allowed into the plant?

Mr. LONG. No, sir.

Mr. KENNEDY. So this was a switch on that, also, was that right?

Mr. LONG. Yes, sir.

Mr. KENNEDY. Now, what about the final contract that was signed, was that a good contract for the employees?

Mr. LONG. It was a poor contract.

Mr. KENNEDY. The increases, were there any substantial increases for the employees?

Mr. LONG. If you would call a nickel an hour substantial, yes, but that was the sum and substance of it, 5 cents an hour.

Mr. KENNEDY. And wasn't it also a 3-year contract?

Mr. LONG. That is right.

Mr. KENNEDY. Was there grumbling on the part of the employees about this?

Mr. LONG. Yes, sir.

Mr. KENNEDY. Had there been an election?

Mr. LONG. No, sir.

Mr. KENNEDY. The contract was merely signed by the management with the bakery workers; is that right?

Mr. LONG. Yes, sir.

Mr. KENNEDY. Did you think there was something wrong in the whole matter?

Mr. LONG. Yes, sir.

Mr. KENNEDY. Did the employees know who Charles Bromley was when he came into the plant to try to sign up the employees?

Mr. LONG. No, sir.

Mr. KENNEDY. You did not know that he was from Mr. Shefferman's firm, also?

Mr. LONG. Not at the time.

Mr. KENNEDY. Have you learned since that time?

Mr. LONG. Yes, sir.

Mr. KENNEDY. Do you have any explanation as to why a representative of Mr. Shefferman's firm, Mr. Nevitt, came down in order to work against the union, and another representative of Mr. Shefferman's firm came down to assist the union? Do you have any explanation for that?

Mr. LONG. None.

Mr. KENNEDY. That is all, Mr. Chairman.

Senator CURTIS. Mr. Chairman?

The CHAIRMAN. Senator Curtis.

Senator CURTIS. When did the sale of the Morton Frozen Foods take place with reference to the efforts of the Packinghouse Workers Union? Was the sale after that?

Mr. LONG. It was after that.

Senator CURTIS. Who owned the plant when the Bakers Union organized it?

Mr. LONG. The Continental Baking Co.

Senator CURTIS. Was this Mr. Binns that you mentioned, was he the manager all the way through?

Mr. LONG. At that time, yes. At both times he was manager.

Senator CURTIS. What did you understand from his statement that his hands were tied when you asked why the signing up of the Bakers Union?

Mr. LONG. I just figured that he received his orders from someone higher up.

Senator CURTIS. Higher up in the company?

Mr. LONG. That is right.

Senator CURTIS. Was this a new industry when the packinghouse workers were carrying on their drive?

Mr. LONG. It was a new industry in Webster City.

Senator CURTIS. How long had it been there?

Mr. LONG. I really don't know.

Senator CURTIS. You have described it as a new industry. You would say it was within the first months of operation, the first year or two, or what?

Mr. LONG. The first year or two, or year and a half.

Senator CURTIS. Was it locally owned?

Mr. LONG. No, sir.

Senator CURTIS. You and Mr. Binns have been personal friends?

Mr. LONG. Yes, sir.

Senator CURTIS. Did he change your mind about the union?

Mr. LONG. No, sir.

Senator CURTIS. Did you believe the statements in the pamphlets that you handed out to the workers?

Mr. LONG. Yes, sir.

Senator CURTIS. That is all.

Senator KENNEDY. Mr. Chairman?

The CHAIRMAN. Senator Kennedy.

Senator KENNEDY. Did you write these statements in "We, the Mor-ton Workers," in the sheets that were distributed?

Mr. LONG. We assisted Mr. Lund.

Senator KENNEDY. He is the lawyer?

Mr. LONG. That is right.

Senator KENNEDY. But you gave him some of your thoughts and he wrote it out?

Mr. LONG. That is right.

Senator KENNEDY. Where were they mimeographed, those that were mimeographed?

Mr. LONG. In Mr. Lund's office.

Senator KENNEDY. In Mr. Lund's office. I notice all these attacks on Peterson:

Look what Pete went and did again? He is thrown out of the P. J. Grey Co. He doesn't even wait to brush off his clothes. He starts fighting. It wouldn't be so bad if he was bucking his own head against the wall, but he drags a lot of innocent people down with him.

Et. cetera.

That was written in Mr. Lund's office: is that correct?

Mr. LONG. That is right.

Senator KENNEDY. By Mr. Lund, with your assistance?

Mr. LONG. Yes.

Senator KENNEDY. Mimeographed in his office and turned over to you?

Mr. LONG. Yes, sir.

Senator KENNEDY. You don't know from whom Mr. Lund was getting his compensation, but he was not getting it from you?

Mr. LONG. That is right.

Senator KENNEDY. What about Mr. Nevitt, did he have anything to do with this? Do you know if he was in touch with Mr. Lund?

Mr. LONG. No, I did not know.

Senator KENNEDY. You do not know if he had any connection with this?

Mr. LONG. I do not know.

Senator KENNEDY. Did he discuss it with you?

Mr. LONG. No, sir.

Senator KENNEDY. That is all.

The CHAIRMAN. Senator McNamara.

Senator McNAMARA. I would like to ask the witness a couple of questions, Mr. Chairman.

If there was any expense in connection with producing these handbills, they were not paid by the organization known as "We, the Morton Workers," but were paid by management; is that right?

Mr. LONG. I don't know.

Senator McNAMARA. Were you an officer of the organization called "We, the Morton Workers?"

Mr. LONG. There were no officers.

Senator McNAMARA. Then it wasn't an organization?

Mr. LONG. That is right.

Senator McNAMARA. It was a list of names. Did you have a list of names of the workers in the plant that were supposed to be members or associated, or what?

Mr. LONG. No, sir.

Senator McNAMARA. There was no list of names. Then it was you and the other fellow who were "We, the Morton Workers," is that it?

Mr. LONG. I would say so.

Senator McNAMARA. It was strictly a phony setup?

Mr. LONG. Yes, sir.

Senator McNAMARA. It didn't represent the people in any manner?

Mr. LONG. No, sir.

Senator McNAMARA. It had no charter, no membership, paid no dues?

Mr. LONG. No, sir.

Senator McNAMARA. It was about as phony as it could be, wasn't it?

Mr. LONG. That is right.

Senator McNAMARA. You indicated, however, that you got a substantial raise because of your cooperation in setting up "We, the Morton Workers." How much of a raise did you get?

Mr. LONG. All told, 26 cents an hour.

Senator McNAMARA. Twenty-six cents an hour. You were allowed to work more hours than you worked prior to that time?

Mr. LONG. That is right.

Senator McNAMARA. Did you normally work 40 hours a week prior to this better treatment?

Mr. LONG. I would say normally 50.

Senator McNAMARA. Fifty. Then you worked how many hours after that?

Mr. LONG. Fifty-five, sixty.

Senator McNAMARA. Did you get bonus time for the overtime beyond 40 hours?

Mr. LONG. Time and a half; yes, sir.

Senator McNAMARA. What was your rate before the union activity?

Mr. LONG. \$1.09.

Senator McNAMARA. \$1.09?

Mr. LONG. Right.

Senator McNAMARA. Did you become a member of the bakery workers union when the bakery workers organized the plant?

Mr. LONG. Yes, sir.

Senator McNAMARA. Why?

Mr. LONG. They finally made it so rough on me that I just about had to join.

Senator McNAMARA. Who? Management or the union?

Mr. LONG. The union.

Senator McNAMARA. Management didn't care whether you joined or not?

Mr. LONG. No, sir.

Senator McNAMARA. Apparently when Continental Bakery came in there they had previous contracts with the bakery workers union, I suppose, in other parts of the country.

Mr. LONG. Yes, sir.

Senator McNAMARA. So it was more or less of a natural development, wasn't it?

Mr. LONG. Yes, sir.

Senator McNAMARA. That is all.

The CHAIRMAN. The Chair presents to you four documents. Are these the circulars that you spoke of that were prepared in Mr. Lund's office, and which you had distributed to the men? Do you identify them?

(The documents were handed to the witness.)

Mr. LONG. They are.

The CHAIRMAN. They may be made exhibit No. 1.

(The documents referred to were marked "Exhibit No. 1" for reference and will be found in the appendix on pp. 6217-6220.)

The CHAIRMAN. Is there anything further?

Senator CURTIS. Just a few questions.

Did the workers of this plant ever vote the bakers union in?

Mr. LONG. No, sir.

Senator CURTIS. What kind of a contract did they have? Did they have a compulsory membership contract?

Mr. LONG. No, sir.

Senator CURTIS. You didn't have to join?

Mr. LONG. No, sir.

Senator CURTIS. What made you say that they made it so rough on you that you had to join?

Mr. LONG. They kept asking me to join. There were probably only 5 or 6 left that hadn't joined, so I figured I might just as well give up and donate my \$3.50 a month.

Senator CURTIS. \$3.50 a month?

Mr. LONG. That is right.

Senator CURTIS. Did your 25 cents an hour make up for that?

Mr. LONG. Barely.

Senator CURTIS. By "they," do you mean other employees or were they representatives of the union who were not employees?

Mr. LONG. Both.

Senator CURTIS. That is all.

Mr. KENNEDY. That is all, Mr. Chairman.

The CHAIRMAN. Stand aside.

Proceed.

Mr. KENNEDY. Mr. Chairman, we have an affidavit from Mr. Hayes that I would like to have read into the record at this time.

The CHAIRMAN. You may read it.

Mr. KENNEDY. It is as follows:

STATE OF IOWA,

County of Hamilton, ss:

I, Clifford E. Hayes, make the following voluntary statement of my own free will. No threats or promises have been made to me.

I reside at 812 Merritt Street, Webster City, Iowa. I am employed as a mechanic at Morton Frozen Food, Inc., Webster City, Iowa. I have been em-

ployed by this company since February 11, 1955. Some time during 1955 I was interviewed by Jack Nevitt who, I understood, was a personnel man working for the company. Nevitt was interviewing each employee in the plant. He asked me what I did and whether I was satisfied with my wages. He also asked me how I felt about unions. I told him that I did not think that we wanted a union at the Morton Frozen Food, Inc., for the reason they financially couldn't stand it.

Sometime thereafter during the summer of 1955, Gary Long, an employee of Morton Frozen Food, Inc., told me that Stuart Lund, an attorney in Webster City, would be willing to help us if we wanted to form a committee to combat the union. The United Packinghouse Workers of America were at that time engaged in an organizing drive. I help Gary Long contact several persons in the plant who I felt would be against this union. We invited these persons to a meeting with Mr. Lund. At the meeting Mr. Lund told the group that he and other businessmen in Webster City were concerned about the possibility that this union might get in and that if we wanted to combat this union, he would help us. He said that he had a "ditto" machine which we could use to publish antiunion literature. He said that he would furnish the paper. We had several meetings at Lund's office and produced anti-UWPA literature which we passed out at the plant entrances. Mr. Lund has never performed any legal services for me as an individual.

I never met with Jack Nevitt in relation to the committee. I did not receive any money from Nevitt.

When I first started working for the company I was a dough mixer. In August 1955 I became a maintenance man. Just prior to Christmas in 1956 I received a 5-cent wage increase as did all of the other maintenance men.

In late 1956 Charles Bromley came to the plant and started signing up employees for the Bakery and Confectionery Workers Union. He told me that he was a personnel man for the Continental Baking Co. He asked me to help him sign up employees and I refused. I also refused to sign a union card myself until my immediate superior told me that he and I were the only maintenance men who had not signed up and suggested that we sign.

Keith Binns, who was at that time the plant manager, told me that he did not want the bakery workers union in the plant but that since the Continental Baking Co. had contracts with that union in all of their plants, he had to go along.

CLIFFORD E. HAYES.

[Certificate of acknowledgment, individual]

STATE OF IOWA,

County of Hamilton, ss:

On this 28th day of June A. D. 1957, before me, Ruth Eckstein, a notary public in and for the county of Hamilton, State of Iowa, personally appeared Clifford E. Hayes, to me known to be the identical person named in and who executed the foregoing instrument, and acknowledged that he executed the same as his voluntary act and deed.

In witness whereof, I have hereunto signed my name and affixed my notarial seal the day and year last above written.

RUTH ECKSTEIN,

Notary Public in and for Hamilton County, State of Iowa.

The CHAIRMAN. All right.

Mr. ABRAHAM J. HARRIS. Mr. Chairman, if you please, sir, I have three questions. I would like to submit them by way of cross-examination of the last witness, Mr. Long, I believe.

The CHAIRMAN. Let us have the questions.

Witness, will you return to the stand, please?

Please identify yourself for the record.

Mr. HARRIS. I am Abraham J. Harris. I represent Mr. James G. Cross, president of the Bakery and Confectionery Workers Union.

TESTIMONY OF GARY LONG—Resumed

The CHAIRMAN. These are questions that the Chair is going to propound to you at the request of the representative of the union.

Senator McNAMARA. Mr. Chairman, at that point, did the gentleman say that he represented the union or represented James Cross?

Mr. HARRIS. I represent Mr. Cross.

The CHAIRMAN. Not the union?

Mr. HARRIS. Not the union.

Senator KENNEDY. Mr. Chairman?

The CHAIRMAN. Just a moment.

Mr. HARRIS. If I may make a statement, Mr. Chairman, under rule 11 of this committee, it says that any person who is the subject of an investigation in public hearings may submit to the chairman questions, et cetera. Mr. Cross has been the subject of an investigation in these hearings. His name has been brought into the testimony this morning.

The CHAIRMAN. Well, I see nothing wrong with these questions. The only thing the Chair is trying to do is to keep the record straight. It isn't the privilege of anyone to just send up questions here and ask that we propound them to the record. Mr. Cross is president of the international union.

Mr. HARRIS. Yes, sir.

The CHAIRMAN. He has been investigated by this committee, and his name was brought into the testimony this morning. I don't know that we are particularly investigating him right now. However, he may have some responsibility in connection with these contracts. There was a union contract.

Let me ask the witness a question. There was a union contract made with the company?

Mr. LONG. Yes, sir.

The CHAIRMAN. And that is the Bakers and Confectionery Workers Union?

Mr. LONG. Yes, sir.

The CHAIRMAN. Then I will ask these questions—

Senator KENNEDY. Before you do that, I have a question.

Are you being paid by Mr. Cross or by the union, Mr. Harris?

Mr. HARRIS. I am being paid by the union.

Senator KENNEDY. I don't understand this distinction you made between Mr. Cross and the union, stating that you did not represent the union but you represented Mr. Cross personally.

Mr. HARRIS. The union has its own general counsel. In this investigation, I have been representing Mr. Cross.

Senator KENNEDY. I don't understand that, Mr. Chairman.

You are not being paid by Mr. Cross, but you are being paid by the union members; is that correct?

Mr. HARRIS. That is right.

Senator KENNEDY. Are you representing the union?

Mr. HARRIS. The union has authorized the retainer of an attorney to represent Mr. Cross.

Senator KENNEDY. When did the union authorize that?

Mr. HARRIS. That was before I was retained.

Senator KENNEDY. Was that done by Mr. Cross himself or by the executive board?

Mr. HARRIS. It was done by the general executive board.

Senator KENNEDY. In a meeting? We had Mr. Cross up here before, and we had some conversations about how the executive board operates. Do you know if they did it at a meeting or by telephone?

Mr. HARRIS. I do not know.

Senator KENNEDY. You have no idea?

Mr. HARRIS. No.

Senator KENNEDY. You have represented Mr. Cross for some time, haven't you?

Mr. HARRIS. I represented him in the hearings here, Senator; yes.

The CHAIRMAN. Well, these questions will be asked because they relate to the contract. I don't know any reason why they shouldn't be asked, and I don't know what the answers are. I do not think they are all important by any means.

Is it not true that the contract contains provisions for annual increases and not merely a 5-cent increase?

Does the contract have a provision that each year there will be an increase?

Mr. LONG. Yes, sir. Five cents a year.

The CHAIRMAN. Five cents a year. When you say the contract was a poor one, was there any indication that the employees would have received any raise at all if the bakery workers had not come in? In other words, was there any indication that you might have received a raise anyhow, except for the fact that the union came in and organized the plant?

Mr. LONG. Well, we were anticipating a raise at the end of the year, but—

The CHAIRMAN. Whether you would have gotten it, you do not know?

Mr. LONG. I do not know.

The CHAIRMAN. Had you been promised any?

Mr. LONG. Yes.

The CHAIRMAN. How much had you been promised? Was it 5 cents, 3 cents, more, or what?

Mr. LONG. I don't remember.

Senator KENNEDY. Were the working hours changed subsequently, so that the employees are now making less, as I understand it, at Morton Frozen Foods, than they made prior to the time the union came in, overall? Is that right?

Mr. LONG. At the time I left, we were.

Senator KENNEDY. They had you on 2 shifts so you could get extra hours, and now they are on 3 shifts; is that right?

Mr. LONG. That is right.

The CHAIRMAN. The next question is: Does not the contract contain a wage-reopening provision, so that the contract could be reopened and the wages renegotiated?

Mr. LONG. Yes; it does.

Mr. KENNEDY. Could I read that into the record, Mr. Chairman, as long as that has been brought up?

The CHAIRMAN. Senator McNamara?

Senator McNAMARA. Why did you leave the plant, Mr. Long?

Mr. LONG. I couldn't make enough money to make a living.

Senator McNAMARA. But you were making more than before the union, or were you?

Mr. LONG. I was making more per hour, but less take-home pay.

Senator McNAMARA. Then this business of working longer hours was eliminated when the union came in?

Mr. LONG. Yes, sir.

Senator McNAMARA. Whom was it eliminated by—the management?

Mr. LONG. Yes, sir.

Senator McNAMARA. In other words, he didn't need you any more now that he had to do business with the union?

Mr. LONG. Well, I quit under my own accord.

Senator McNAMARA. Because of the shabby treatment you were getting from the management?

Mr. LONG. Well, I wouldn't say it was—I wasn't the only one that was cut down.

Senator McNAMARA. You are the one who left, and we are talking about your leaving, so others don't enter into it.

Mr. LONG. Yes; that is why I left.

Senator McNAMARA. All right.

Senator ERVIN. After the contract was agreed to, the employees got less time for work, and, consequently, less money?

Mr. LONG. That is right.

Senator ERVIN. In addition to that, they paid the union dues?

Mr. LONG. That is right.

Senator ERVIN. That is all.

The CHAIRMAN. Do you identify this contract?

Mr. KENNEDY. We are going to have other witnesses on this matter, and we can wait, Mr. Chairman.

The CHAIRMAN. All right.

Thank you.

Call the next witness.

Mr. KENNEDY. Mrs. Phyllis Ring.

The CHAIRMAN. You do solemnly swear the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mrs. RING. I do.

TESTIMONY OF PHYLLIS RING

The CHAIRMAN. State your name, your place of residence, and your business or occupation.

Mrs. RING. My name is Phyllis Ring. I live at 208 Bank Street, Webster City, Iowa, and I am unemployed.

The CHAIRMAN. You are what?

Mrs. RING. I am unemployed.

The CHAIRMAN. Have you been employed previously?

Mrs. RING. Yes. I was secretary at the Morton Frozen Foods.

The CHAIRMAN. For how long a time?

Mrs. RING. Two and a half years.

The CHAIRMAN. When did your employment terminate?

Mrs. RING. The end of July 1957.

The CHAIRMAN. You have the right to have counsel present, if you desire. Do you waive counsel?

Mrs. RING. Yes; I do.

The CHAIRMAN. Thank you very much.

All right, Mr. Kennedy.

Mr. KENNEDY. You were the secretary at the Morton Frozen Foods Co., for Mr. Keith Binns?

Mrs. RING. Yes; that is right.

Mr. KENNEDY. That is while he was manager of the plant; is that right?

Mrs. RING. Yes.

Mr. KENNEDY. You held that position when the packinghouse workers' union came in and tried to organize?

Mrs. RING. Yes; I did.

Mr. KENNEDY. Did you know the efforts, or were you aware that the management was strongly against the packinghouse workers' union organizing the employees?

Mrs. RING. Yes, very much so.

Mr. KENNEDY. Were you aware of this committee, "We, the Morton Workers," being set up?

Mrs. RING. Yes.

Mr. KENNEDY. Could you tell us the actions or the activities that you knew in your position as secretary at that time? About the "We, the Morton Workers," and what was done as far as the management knowing whether the employees were for or against the union?

Mrs. RING. Well, I think, definitely, they were trying to influence the other employees to vote against the union, and I know that they printed handbills at Mr. Lund's office.

Mr. KENNEDY. Did you know who Mr. Lund was at the time?

Mrs. RING. Well, I knew that he was the lawyer in town.

Mr. KENNEDY. Did you know that he had been retained by the Morton Frozen Food Co. to act in that position?

Mrs. RING. No; only that he had volunteered his services for the committee.

Mr. KENNEDY. That is all you knew about it?

Mrs. RING. Yes.

Mr. KENNEDY. Were there any efforts made to learn what the sentiments of the employees were, as to whether they were for or against the union?

Mrs. RING. Yes; I think so, because I had prepared a list, by the direction of Mr. Binns, and I believe it was designated on the list those for and those against the union.

Mr. KENNEDY. Do you know how that information was obtained?

Mrs. RING. Not directly; no.

Mr. KENNEDY. Were you told how it was obtained?

Mrs. RING. I just imagine that it was from the "We, the Morton Workers" committee observances.

Mr. KENNEDY. Was there a form supplied to the attorney for the Morton Frozen Food Co. which was for the purposes of obtaining from him information regarding the background of these people?

Mrs. RING. Yes. This was not Mr. Lund, however, but Lloyd Karr.

Mr. KENNEDY. He was the attorney for the Morton Frozen Food Co.?

Mrs. RING. Yes, he was.

Mr. KENNEDY. Who had made up this form? Whose idea was that?

Mrs. RING. I believe Mr. Binns gave me the form and I typed it up and mimeographed it.

Mr. KENNEDY. Was this after Mr. Nevitt had come to Webster City?

Mrs. RING. Yes.

Mr. KENNEDY. Did you know Mr. Nevitt?

Mrs. RING. Yes, I did. It was afterward.

Mr. KENNEDY. Did you know what Mr. Nevitt's position was?

Mrs. RING. Definitely to keep the union out, but I wasn't too sure just who he was employed for.

Mr. KENNEDY. You didn't know who he was representing or who he worked for: is that right?

Mrs. RING. He said it was a public-relations firm in Chicago.

Mr. KENNEDY. But he was working actively against the union up there?

Mrs. RING. Yes. Perhaps not openly, but actively.

Mr. KENNEDY. Was he having meetings with Mr. Binns?

Mrs. RING. Yes.

Mr. KENNEDY. Were there also meetings with Mr. Long and Mr. Hayes, with Mr. Binns?

Mrs. RING. Yes.

Mr. KENNEDY. And was that in connection with this defeating the union?

Mrs. RING. Just from snatches of conversations; yes.

Mr. KENNEDY. I will ask you to identify this form we were just discussing.

The CHAIRMAN. The Chair presents to you what appears to be three forms, photostatic copies of forms. Examine them and state if you identify them.

(The documents were handed to the witness.)

Mrs. RING. The first two forms are the family information form, and the third is an application for employment.

The CHAIRMAN. They may be made exhibits Nos. 2-A, 2-B, and 2-C.

(The documents referred to were marked "Exhibits Nos. 2-A through 2-C" for reference and may be found in the files of the select committee.)

Mr. KENNEDY. Was this family form a new form?

Mrs. RING. Yes. I believe that it was originated in about August of 1955.

Mr. KENNEDY. That was shortly after the packinghouse workers started their drive?

Mrs. RING. Yes: that is right.

Mr. KENNEDY. This is the form that was sent to the attorney for the company, Mr. Karr?

Mrs. RING. That is right.

Mr. KENNEDY. And would he make notations on the form?

Mrs. RING. Yes. Either he would say "O. K." and his initials, "L. K." or "No," and sometimes he would have "Get rid of."

Mr. KENNEDY. What would that mean?

Mrs. RING. I presume that it was because the person applying for employment was somehow for a union. Perhaps they had belonged to a union previously.

Mr. KENNEDY. Mr. Karr was to check on that and find out whether they had any union affiliation prior to that time?

Mrs. RING. Yes. He was very familiar with almost everyone in the community.

Mr. KENNEDY. And if the person was already an employee, then there might be a notation to get rid of them?

Mrs. RING. Yes; that is right.

Mr. KENNEDY. For instance, on this form that was handed to you at this time there is a note on the bottom "Get rid of."

Mrs. RING. Yes.

Mr. KENNEDY. Did you understand there were certain people from certain areas that they didn't want to have employed at all, because they felt they might be prounion?

Mrs. RING. I believe Fort Dodge, which is about 20 miles from Webster City, was considered poor, because it was highly unionized.

Mr. KENNEDY. Did you know or understand that there were any employees of the company who were fired because of the fact that they were prounion?

Mrs. RING. Yes.

Mr. KENNEDY. Do you know some of the employees that that happened to?

Mrs. RING. Yes; one, definitely.

Mr. KENNEDY. That was a lady, was it not?

Mrs. RING. Yes.

Mr. KENNEDY. And whose name you have already given to us?

Mrs. RING. Yes.

Mr. KENNEDY. She was very active in the union?

Mrs. RING. Yes; very much so.

Mr. KENNEDY. And she was discharged?

Mrs. RING. Yes.

Mr. KENNEDY. Did they transfer any other employees to undesirable employment because of the fact that they were prounion?

Mrs. RING. Yes, in the hopes that they might quit.

Mr. KENNEDY. In what?

Mrs. RING. In the hopes that they might quit.

Mr. KENNEDY. And you knew all of this from your discussion with the management, Mr. Binns, and others?

Mrs. RING. Yes.

Mr. KENNEDY. Was there a raise given to Mr. Long and Mr. Hayes for the work that they did for "We, the Morton Workers"?

Mrs. RING. Yes; I am quite sure that there was.

Mr. KENNEDY. Did you ever hear conversations about that, also?

Mrs. RING. Yes. I believe I prepared the authorization.

Mr. KENNEDY. To give them a raise?

Mrs. RING. Yes.

Mr. KENNEDY. Did you have further conversations with the supervisor of Mr. Long?

Mrs. RING. No.

Mr. KENNEDY. About the fact that he would receive the raise?

Mrs. RING. No.

Mr. KENNEDY. But you did prepare the voucher giving both raises at that time?

Mrs. RING. That is right.

Mr. KENNEDY. After the packinghouse workers were defeated in the election, did another union come into Morton Frozen Food Co.?

Mrs. RING. Well, it was about 7 or 8 months later that the bakers union came.

Mr. KENNEDY. Was the company management against that union also?

Mrs. RING. No. Quite the opposite.

Mr. KENNEDY. They were for that union?

Mrs. RING. Yes.

Mr. KENNEDY. Was there another representative that had come in? Mr. Nevett by that time had left. Was there somebody else who had come in?

Mrs. RING. Mr. Bromley.

Mr. KENNEDY. Mr. Charles Bromley?

Mrs. RING. Yes.

Mr. KENNEDY. What was his position?

Mrs. RING. Somewhat indefinite. He stayed in the background. He would go into the plant and talk to the employees, and try to persuade them to go along with the union.

Mr. KENNEDY. Who did he say he was representing—himself?

Mrs. RING. He didn't say. I am quite sure that it was a firm from Chicago, because he received telephone calls from there.

Mr. KENNEDY. But you didn't know for certain?

Mrs. RING. No.

Mr. KENNEDY. Did he have a difficult time trying to sell the employees on the union?

Mrs. RING. Yes, rather. I think Mr. Nevitt had done quite a good job the year previously.

Mr. KENNEDY. Did you understand that Mr. Nevitt and Mr. Bromley were from the same firm in Chicago?

Mrs. RING. Yes, I definitely did.

Mr. KENNEDY. You understood that?

Mrs. RING. Yes.

Mr. KENNEDY. Could you understand why one came up for a few months and stayed there and tried to sell the employees against the union and a couple of months later another employee came up and tried to sell them for the union?

Mrs. RING. It was presented to me that the bakers union would be the best in the company, since it had organized all of the other Continental plants.

Mr. KENNEDY. What about the list of employees? Was that ever turned over to the bakery workers, a list of the employees of the Morton Frozen Food Co.?

Mrs. RING. Yes.

Mr. KENNEDY. Would you tell us what happened there?

Mrs. RING. First I was contacted one evening at home by three men. Two were representing the bakers' union and a third the teamsters' union. They said that they wished a list, a mailing list, of all the Morton employees, and they wanted me, since I had access to it,

to give it to them. I refused to do so because I felt that it was somewhat disloyal at the time.

Mr. KENNEDY. So what happened?

Mrs. RING. It was either the next day or the day after that I prepared a list for them under Mr. Binns' direction. They informed me that evening that all they would have to do is ask that a list be given to them from the company and that it would be.

Mr. KENNEDY. So you were instructed the following day to furnish a list to the bakery workers?

Mrs. RING. Yes. I typed it up.

Mr. KENNEDY. So you made a list of the names of the employees and their addresses and turned it over to the bakery workers' representative; is that right? Or turned it over to Mr. Binns?

Mrs. RING. I turned it over to Mr. Binns.

Mr. KENNEDY. What about the authorization cards for the bakery workers' union? Did you have anything to do with that?

Mrs. RING. Mr. Binns had some on his desk within shortly around that time.

Mr. KENNEDY. What were the authorization cards? Giving the bakery workers' authorization to represent the employees?

Mrs. RING. Yes; that is right.

Mr. KENNEDY. And there were attempts going on to sign up the various employees for the bakery workers' union, is that right, with these authorization cards?

Mrs. RING. Yes, sir.

Mr. KENNEDY. What did Mr. Binns say about these cards?

Mrs. RING. He asked me to distribute them to the different supervisors, and I did so.

Mr. KENNEDY. So that the company was actually taking part in the distribution of the cards for the union itself; is that right?

Mrs. RING. Yes; that is right.

Mr. KENNEDY. This was an entire reversal over their position as far as the packinghouse workers were concerned?

Mrs. RING. Yes.

Mr. KENNEDY. Was that an improvement in wages, hours, and conditions, the contract that was ultimately signed? Did you feel that it was an improvement? Did the employees feel that it was an improvement?

Mrs. RING. I think there was some dissatisfaction with it. I don't believe that the employees were consulted as to what they wanted in the contract.

Mr. KENNEDY. You don't think they were consulted?

Mrs. RING. No; not at all.

Mr. KENNEDY. Was there an election?

Mrs. RING. No.

Mr. KENNEDY. Was there a negotiating committee set up among the employees to work it out with the union, do you know?

Mrs. RING. I don't know.

Mr. KENNEDY. You say that you left the employment of the Morton Frozen Food Co. at what time—July this year?

Mrs. RING. Yes; the end of July.

Mr. KENNEDY. This was subsequent to the time that you had been interviewed by our investigators; is that right?

Mrs. RING. Yes; about 2 or 3 weeks.

Mr. KENNEDY. How long had you worked there?

Mrs. RING. I started in February of 1955.

Mr. KENNEDY. Did you leave voluntarily?

Mrs. RING. No. I was requested to.

Mr. KENNEDY. What reason did they give you for requesting that you leave?

Mrs. RING. None. I asked—they called me in one evening and said that they were going to have to fire me, and when I requested an explanation, they said that none could be given at this time.

Mr. KENNEDY. Who was this?

Mrs. RING. Mr. Owen, the new manager.

Mr. KENNEDY. Did you try to find out in any other way why you were fired?

Mrs. RING. No. I discussed it with him. He said that it wasn't my work, that he was quite satisfied with it, and that it would not go down in the records as having been fired, and that he would help me obtain employment elsewhere if I had difficulty.

Mr. KENNEDY. Did you understand that some of the officials were upset that this family form had been obtained by the committee?

Mrs. RING. I know that Mr. Owen and Mr. Kitchin discussed it over the telephone and Mr. Owen asked me about it.

Mr. KENNEDY. And that you had turned that over to the committee, had you?

Mrs. RING. Yes; I did.

Mr. KENNEDY. Why had you turned it over to the committee?

Mrs. RING. Mr. Sheridan came to the plant——

Mr. KENNEDY. Who is Mr. Sheridan?

Mrs. RING. I believe he is a representative of the committee—came to the plant and I was introduced to him by Mr. Chavalier, the assistant manager, and asked to furnish any information from our files that was necessary.

Mr. KENNEDY. So you had turned that over on the instructions to cooperate with the committee, the instructions of your superior?

Mrs. RING. Yes; that is right.

Mr. KENNEDY. But later on there seemed to be some concern about it?

Mrs. RING. Yes, somewhat.

Mr. KENNEDY. I spoke to Mr. Owen and asked him if he had known that you had talked to the committee, and if that had anything to do with your being discharged, and he said that he never even knew that you had been interviewed by the committee at the time he discharged you.

Mrs. RING. He did know, however, because I talked to him by telephone the day that Mr. Sheridan was there in the office, and later when he came back to the plant I gave him a list of the items that I turned over to Mr. Sheridan.

Mr. KENNEDY. He told me just yesterday that positively he never even knew that you had talked with the committee. But you say there is no question that he knew?

Mrs. RING. There is no question at all.

Mr. KENNEDY. Did he, in fact, talk to you while Mr. Sheridan was in the office?

Mrs. RING. Yes, he did, and then he requested me to give the form to Mr. Sheridan.

MR. KENNEDY. Was there a memorandum prepared regarding the material that you had turned over to Mr. Sheridan?

MRS. RING. Yes. It was sent to Mr. Kitchen, in Louisville.

MR. KENNEDY. So he was aware of it that way?

MRS. RING. Yes; that is right.

MR. KENNEDY. We appreciate your cooperation.

THE CHAIRMAN. You think you lost your job simply because you cooperated with this committee?

MRS. RING. I honestly don't know.

THE CHAIRMAN. As I understand, you didn't cooperate with the committee except as you told your superiors about what you were doing, and I understood you to say that they instructed you to cooperate with the committee. Is that correct?

MRS. RING. Yes; that is right. In 1955, when Mr. Nevitt was in the plant, there was some concern for my having belonged to a union before I came to Morton's, and it was discussed between him and Mr. Binns. There was some doubt in their minds as to how loyal I was to them.

THE CHAIRMAN. Is there anything else?

SENATOR McNAMARA. Mr. Chairman?

I will yield to Senator Ervin.

SENATOR ERVIN. As I understand it, Mr. Nevitt, representing the Shefferman interests, came down to teach that unions were bad?

MRS. RING. Yes; that is right.

SENATOR ERVIN. And then Mr. Bromley, representing the Shefferman interests, came down to teach that the unions were good?

MRS. RING. Yes.

SENATOR ERVIN. And you say Mr. Bromley had some difficulty because Mr. Nevett had been such a good teacher?

MRS. RING. That is right.

SENATOR ERVIN. In other words, the Shefferman interests, apparently, were like the teacher that applied to the school board for a job teaching geography back in the days when half the people believed the earth was round and the other half believed it was flat. The school board chairman asked the teacher whether he taught the earth was round or flat, and he said he taught either system or both.

That is all, Mr. Chairman.

SENATOR McNAMARA. Mr. Chairman, I would like to ask the witness a question.

Did you belong to any of the unions, either the meat packers, the packinghouse workers, or the bakery workers, at any time?

MRS. RING. No. I was not eligible.

SENATOR McNAMARA. You were not eligible?

MRS. RING. No.

SENATOR McNAMARA. Because you were an office employee?

MRS. RING. Yes; that is right.

SENATOR McNAMARA. You mentioned that you had been a member of a union previously. Was that an office workers' union?

MRS. RING. Yes. It was with the Northwestern Bell Telephone Co.

SENATOR McNAMARA. I am sure the committee is very much concerned as to whether or not you were discharged because of your cooperation with the committee. You indicate that you suspect that that is why you were discharged. You know of no other reason? They said your work was satisfactory?

Mrs. RING. That is right. None has been given to me as yet.

Senator McNAMARA. Except the possibility that you did have some union affiliation in your background.

Mrs. RING. Yes. Mr. Owen said that he would explain to me after this was all over.

Senator McNAMARA. Were you paid by the hour, by the week, or what?

Mrs. RING. By the hour.

Senator McNAMARA. How much an hour did you receive?

Mrs. RING. \$1.22.

Senator McNAMARA. \$1.22. Did you get the 5-cent raise that the other employees got when the plant was unionized or did you still continue to get the same salary?

Mrs. RING. The office received their raises at different times from the plant.

Senator McNAMARA. You did not receive a raise when the rest of the employees, due to the union contract, received theirs?

Mrs. RING. I believe there was a 5-cent increase.

Senator McNAMARA. You did get the same as the rest of the employees?

Mrs. RING. Within 2 months or so.

Senator McNAMARA. Not at the same time?

Mrs. RING. No.

Senator McNAMARA. Thank you.

Senator CURTIS. Was it Mr. Binns who discharged you?

Mrs. RING. No. Mr. Owen.

Senator CURTIS. Who is manager of the plant?

Mrs. RING. Mr. Owen.

Senator CURTIS. When was the change made?

Mrs. RING. About the 31st of March of this year.

Senator CURTIS. The greater share of your employment was under Mr. Binns?

Mrs. RING. Yes; that is right.

Senator CURTIS. You were personal secretary to the manager?

Mrs. RING. That is right.

Mr. KENNEDY. That is all. Thank you.

The CHAIRMAN. Thank you.

Mr. KENNEDY. Mr. Keith Binns.

The CHAIRMAN. You do solemnly swear the evidence you shall give before this Senate Select Committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. BINNS. I do.

TESTIMONY OF KEITH BINNS, ACCOMPANIED BY HIS COUNSEL, ROY M. ANDERSON, AND THOMAS S. DAWSON, ATTORNEY

The CHAIRMAN. State your name, your place of residence, and your business or occupation.

Mr. BINNS. My present place of residence is at 8706 Nordic Drive, Louisville, Ky. I was formerly at Webster City for a little over 2 years before that. I was born and raised in South Dakota.

The CHAIRMAN. Your name, please?

Mr. BINNS. Keith Binns.

The CHAIRMAN. Keith?

Mr. BINNS. Yes, sir.

The CHAIRMAN. Mr. Binns, you have counsel present with you this morning?

Mr. BINNS. Yes, I do.

The CHAIRMAN. Gentlemen, identify yourself for the record.

Mr. DAWSON. Thomas S. Dawson.

Mr. ANDERSON. And Roy M. Anderson.

Mr. KENNEDY. Mr. Binns, you were general manager of the Morton Frozen Food plant at the time the packinghouse workers came to attempt to organize it?

Mr. BINNS. I was.

Mr. KENNEDY. At that time the company was in opposition to the union attempt to organize the employees, is that right?

Mr. BINNS. I didn't hear you.

Mr. KENNEDY. The company was in opposition, the management of the company was in opposition to the union organizing the employees, is that right?

Mr. BINNS. That is true.

Mr. KENNEDY. In that opposition, did you receive or have the advisory help of any outside individuals?

Mr. BINNS. Yes, I did.

Mr. KENNEDY. Would you tell us who that was and how he came to arrive in Webster City, Iowa?

Mr. BINNS. It was in approximately June—

Mr. KENNEDY. June of 1955?

Mr. BINNS. June of 1955—that the packinghouse workers began to organize the union. We had at that time only been in Webster City in operation for about 2 months. I immediately called my superior and informed him that they were attempting to organize the plant. Then at a later date, possibly a week or 10 days, my superior called me back and told me that there would be a man out there to help me in an attempt to keep the union from the plant.

Mr. KENNEDY. Who was your superior?

Mr. BINNS. W. R. Kitchin.

Mr. KENNEDY. K-i-t-c-h-e-n?

Mr. BINNS. "i-n".

Mr. KENNEDY. And what was his position in the Morton Frozen Food Co.?

Mr. BINNS. Mr. Kitchin was general manager of the plant in the production department.

Mr. KENNEDY. Where was he?

Mr. BINNS. He was in Louisville, Ky.

Mr. KENNEDY. So you called him down there and he talked to you about 10 days after that, and said that he would have a man up there to assist you in keeping the union out of the plant, is that right?

Mr. BINNS. That is true.

Mr. KENNEDY. Did a man arrive there shortly afterward?

Mr. BINNS. Yes, sir.

Mr. KENNEDY. Who was that?

Mr. BINNS. Jack Nevitt.

Mr. KENNEDY. From where was he? Who was Mr. Jack Nevitt?

Mr. BINNS. At that time I knew that he was from Chicago, and that he represented the firm that was doing personnel work. I mean, at that time, that was my understanding.

Mr. KENNEDY. The firm that he was working for, you learned subsequently, was Nathan W. Shefferman; is that right?

Mr. BINNS. That is true.

Mr. KENNEDY. Can you tell us—and this might be hearsay—you tell us how the company happened to retain the services of Mr. Shefferman, what you understood, what was told to you?

Mr. BINNS. As I understand it, Mr. Kitchin and someone else in the office called the Shefferman organization in Chicago upon advice of several business associates there in Louisville that retained his services. That is what I heard.

Mr. KENNEDY. A number of individuals and companies in Louisville, Ky., had retained the services of Mr. Shefferman in the past and were very pleased with him and had recommended his services to Mr. Kitchin; is that right?

Mr. BINNS. As I understand it; yes.

Mr. KENNEDY. So Mr. Kitchin called Mr. Shefferman in Chicago and these arrangements were made for Mr. Nevitt, as you understand?

Mr. BINNS. As I understand; yes, sir.

Mr. KENNEDY. Had the Morton Frozen Food Co., to your knowledge, ever retained the services of Mr. Shefferman prior to that time?

Mr. BINNS. Not to my knowledge.

Mr. KENNEDY. What arrangements were made with Mr. Nevitt when he finally arrived in Webster City? What did he do first when he finally arrived there?

Mr. BINNS. Well, when Mr. Nevitt first arrived in Webster City, he circulated through the plant for several days, possibly 2 weeks, maybe longer than that, talking to the employees. As I understood it at that time, it was concerning personnel work, because he had no personnel department.

Mr. KENNEDY. Subsequently did he work toward attempting to learn the background of the various employees in the plant?

Mr. BINNS. Yes, sir; that is true.

Mr. KENNEDY. Was he at that time working toward finding out whether the employees were in favor of the union or against the union?

Mr. BINNS. Yes, sir.

Mr. KENNEDY. At that time, also, did he speak to you about the setting up of a committee?

Mr. BINNS. Yes, sir.

Mr. KENNEDY. And what did he say? What conversation did you have with him about that?

Mr. BINNS. Mr. Nevitt came to me and asked me—in fact he told me—that he would like to have an employee committee formed, and that two people should be picked and sent to a local attorney there in Webster City, and that he would direct the committee.

Mr. KENNEDY. That he would direct the committee.

Mr. BINNS. That the attorney would direct the committee.

Mr. KENNEDY. But why was the committee going to be formed? What was the purpose of the committee?

Mr. BINNS. It was an antiunion committee.

Mr. KENNEDY. An antiunion committee?

Mr. BINNS. Yes, sir.

Mr. KENNEDY. Did you select the two employees that were going to go first, to the lawyer?

Mr. BINNS. The names of the two people Mr. Nevitt mentioned to me, however, and they would have been my suggestion, also.

Mr. KENNEDY. They would what?

Mr. BINNS. They would have been my suggestion also. I agreed with him.

Mr. KENNEDY. That was Mr. Long and Mr. Hayes; is that right?

Mr. BINNS. That is true.

Mr. KENNEDY. They were selected to head up the committee?

Mr. BINNS. Yes, sir.

Mr. KENNEDY. And the committee received a name?

Mr. BINNS. It did, later on, receive a name. Yes.

Mr. KENNEDY. That was "We, the Morton Workers"?

Mr. BINNS. Yes, sir.

Mr. KENNEDY. That was the name of the committee?

Mr. BINNS. Yes, sir.

Mr. KENNEDY. How was the attorney selected? Who selected the attorney that they would go to?

Mr. BINNS. At that time I did not know how the attorney was selected.

Mr. KENNEDY. How did you learn subsequently that the attorney was selected?

Mr. BINNS. I was told afterward that our local attorney, who was Mr. Karr——

Mr. KENNEDY. What?

Mr. BINNS. Our local attorney, who was Mr. Karr, had also selected Mr. Lund.

Mr. KENNEDY. And these two individuals were then sent down to see Mr. Lund; is that right?

Mr. BINNS. Yes, sir.

Mr. KENNEDY. One of their functions was to prepare antiunion literature; is that right?

Mr. BINNS. Well, that is what they have done. However, I——

Mr. KENNEDY. Who arranged that?

Mr. BINNS. To the best of my knowledge, Mr. Lund did.

Mr. KENNEDY. Mr. Lund arranged that?

Mr. BINNS. Yes; the actual writing and printing of the handbills.

Mr. KENNEDY. Was there also an effort to find out what were the sentiments—to find out the sentiments of the employees, whether they were in favor of the union or against the union?

Mr. BINNS. Yes, sir.

Mr. KENNEDY. And subsequently, or at any time, was there action taken against the employees who were active for the union?

Mr. BINNS. Yes, there was.

Mr. KENNEDY. Whose suggestion was that?

Mr. BINNS. All of this, the majority of this was under the instructions of Mr. Nevitt.

Mr. KENNEDY. How was it going to be handled? You just couldn't fire somebody for the reason that they were in favor of the union. How was it suggested to you as to getting rid of these employees who were in favor of the union?

Mr. BINNS. Well, one way was, of course, putting them on other jobs.

Mr. KENNEDY. Putting them on undesirable work?

Mr. BINNS. Actually, I wouldn't classify it as that.

Mr. KENNEDY. All right. Work that was less favorable than the work they were doing?

Mr. BINNS. Yes, sir.

Mr. KENNEDY. And forcing them to quit that way; is that right?

Mr. BINNS. Well, yes.

Mr. KENNEDY. How else was it handled to get rid of these people who were in favor of the union?

Mr. BINNS. Well, also in this program, absenteeism and if they were accident-prone. That was the two main things. We kept a close check on them.

Mr. KENNEDY. You were looking for causes which you could use against these individuals to get rid of them, is that right?

Mr. BINNS. Yes, sir.

Mr. KENNEDY. The committee that was organized, "We, the Morton Workers Committee," did they obtain this information for you as to what employees were pro- or anti-union?

Mr. BINNS. The two would, yes.

Mr. KENNEDY. Then was there also a form made up which was sent in to Mr. Karr, your local attorney?

Mr. BINNS. Yes, sir.

Mr. KENNEDY. What was the purpose of that form? I believe that has been made an exhibit here. That is exhibit No. 2. This is called the family form, I believe.

Mr. DAWSON. May I see it?

The CHAIRMAN. It is the family information form.

(Document handed to witness, who conferred with his counsel.)

Mr. BINNS. Yes, I am familiar with this form. It was made up containing the family background of an employee, first, and then later on a prospective employee.

Mr. KENNEDY. The family background of the employee; is that right?

Mr. BINNS. Yes.

Mr. KENNEDY. And then you later used it to find out about any prospective employees that you intended to hire; is that right?

Mr. BINNS. Yes, sir.

Mr. KENNEDY. That form was made up at the suggestion of whom?

Mr. BINNS. Of Jack Nevitt.

Mr. KENNEDY. And the purpose of that was so that you could find out whether a person from his background was pro- or anti-union; is that right?

Mr. BINNS. Yes, sir.

Mr. KENNEDY. And that was sent down to your local attorney, Mr. Karr, and then he would check to find out, and give you suggestions as to whether the person was pro- or anti-union?

Mr. BINNS. Yes. That is right. Of course, Mr. Karr had been in the community all of his life, and he was very familiar with all of the people, not only in Webster City but in the surrounding areas, also.

Mr. KENNEDY. If they were against the union, would he make a notation on it?

Mr. BINNS. Yes. He would put a "no" on it.

Mr. KENNEDY. If they were against the union, what would they put, if they were against the union?

Mr. BINNS. He would put "no" on that, also. I might say at this time—

(The witness conferred with his counsel.)

Mr. KENNEDY. If they were against the union.

Mr. BINNS. I am sorry. Well, he would make a notation at the bottom of that form.

Mr. KENNEDY. What would be put, "yes" on the bottom of the form? I am trying to find out what notation he put on the form.

Mr. BINNS. If they were acceptable, "yes" was put on the bottom of the form. If they were not acceptable, he would put "no" on the form.

Mr. KENNEDY. And the criterion as to what was acceptable was whether somebody was for or against the union; is that right?

Mr. BINNS. Yes.

Mr. KENNEDY. And those people that were already employees, there was a notation sometimes made to get rid of them; is that right?

Mr. BINNS. Yes.

Mr. KENNEDY. And that was a notation on the bottom of it?

Mr. BINNS. Yes.

Mr. KENNEDY. And action was taken to try to find cause to get rid of those employees?

Mr. BINNS. Yes.

Mr. KENNEDY. Was there compensation given to Mr. Long and Mr. Hayes for doing this work, extra compensation for doing the work?

Mr. BINNS. Yes.

Mr. KENNEDY. They were promised raises in salaries; is that right?

Mr. BINNS. Yes. As Mr. Long said, they were told they would be taken care of.

Mr. KENNEDY. And they were given that?

Mr. BINNS. Yes.

Mr. KENNEDY. On the bakery workers union—the packinghouse workers union was defeated, is that right, in the election?

Mr. BINNS. Yes, sir.

Mr. DAWSON. The witness would like to make a statement about these firings that he didn't make.

The CHAIRMAN. Do you have something you want to say?

Mr. BINNS. Yes, sir.

The CHAIRMAN. All right.

Mr. BINNS. Concerning the actual firing of the employees, that took place after the election. As I stated heretofore, there were certainly other reasons, other than that. There were people that were fired that were certainly for us during the next 6 or 8 months that these things took place.

Mr. KENNEDY. Approximately how many employees did you attempt to get information on in order to have cause for firing them?

Mr. BINNS. Well, actually, concerning this family form, it was made up on all of the employees.

Mr. KENNEDY. Well, approximately how many—I understand that you wouldn't hire anybody, any new person, who might have pro-union background, or their family have a pro-union background. But on the employees that were already employed, how many of them did

you either transfer or did you attempt to get this derogatory information on so that you had cause to fire them?

How many of them were there, approximately?

(The witness conferred with his counsel.)

Mr. BINNS. Approximately, I would say there was about 40 or 50.

Mr. KENNEDY. About 40 to 50?

Mr. BINNS. Yes, sir. That is approximately. I do not know the exact number.

Mr. KENNEDY. And how many of those 40 to 50 were you actually able to get rid of? Were you able to get rid of all of those?

Mr. BINNS. No, sir.

Mr. KENNEDY. About how many of those were you able to get rid of?

(The witness conferred with his counsel.)

Mr. BINNS. In the following 6-month period, Mr. Kennedy, there were 26 discharged.

The CHAIRMAN. Twenty-six?

Mr. BINNS. Yes, sir. However, not all of those necessarily had been against us.

Mr. KENNEDY. But there were about 40 or 50 that you attempted to get the information on, that you transferred to the more undesirable jobs in an attempt to get rid of them, and a proportion of those were ultimately or subsequently fired, and you can't tell us exactly how many. Is that right?

Mr. BINNS. Yes, sir; that is right.

Mr. KENNEDY. After the packinghouse workers were defeated in the election, the bakery workers came to Webster City, is that right?

Mr. BINNS. Yes.

Mr. KENNEDY. Did you have the same opposition to the bakery workers union?

Mr. BINNS. Of course, during this time there was a change in the ownership of the company. On December 1, 1955, we became part of the Continental Baking Co. That was shortly after the election. So, when the B. and C. appeared on the scene, of course they had contracts in a number of their plants—in fact, all of their plants throughout the country.

Mr. KENNEDY. Did you receive instructions from the higher officials that you were to cooperate with them?

Mr. BINNS. Well, at first, just to take a hands-off policy.

Mr. KENNEDY. And then what?

Mr. BINNS. Well, as I understand it, Mr. Kennedy, the first organizational drive by the B. and C. was not successful. To what degree, I do not know, but I understand that. So approximately 3 to 4 weeks after they had been there, I was called by my superior and told that there would be a man from Shefferman's office in Webster City to help the B. and C.

Mr. KENNEDY. Who called you on that?

Mr. BINNS. Mr. Kitchin.

Mr. KENNEDY. Mr. Kitchin?

Mr. BINNS. Yes, sir.

Mr. KENNEDY. He called you and told you that a man from Mr. Shefferman's office would be in Webster City to assist the bakery workers; is that right?

Mr. BINNS. Yes.

Mr. KENNEDY. The bakery workers had tried a drive there and had been unsuccessful, or at least according to your information had not had a successful time, and he called you to say that Mr. Shefferman was going to send some representatives down there to assist them; is that right?

Mr. BINNS. That is true.

Mr. KENNEDY. Did it puzzle you at all, since Mr. Shefferman had just had somebody in there to beat the union?

Mr. BINNS. Frankly, yes, sir.

Mr. KENNEDY. Did you meet with this representative of Mr. Shefferman?

Mr. BINNS. I did, yes.

Mr. KENNEDY. Who was that?

Mr. BINNS. Charles Bromley.

Mr. KENNEDY. What did you arrange with him? What did you work out?

Mr. BINNS. Well, at our meeting it was my understanding that he was to talk to the employees in the plant and try to maybe sway their feelings, because it had been just a year previous, and at that time that is all of the information I had.

Mr. KENNEDY. So he went into the plant to undo everything that John Nevitt had done a year prior to that?

Mr. BINNS. Actually that is true.

Mr. KENNEDY. He was in there to tell them that they actually should have a union while Nevitt had been there a few months earlier to tell them they shouldn't have a union?

Mr. BINNS. Yes, sir.

Mr. KENNEDY. Did you also allow the representatives from the Bakery Workers Union themselves in there?

Mr. BINNS. In the plant?

Mr. KENNEDY. Yes.

Mr. BINNS. Not at that time; no, sir.

Mr. KENNEDY. Subsequently?

Mr. BINNS. Yes, sir.

Mr. KENNEDY. Did you assist in the handing out of the authorization cards for the bakery workers?

Mr. BINNS. I assisted in it. They were brought to me; I was instructed to distribute those authorizations.

Mr. KENNEDY. Who instructed you to do that?

Mr. BINNS. There, again, Mr. Kitchin.

Mr. KENNEDY. Mr. Kitchin?

Mr. BINNS. Yes, sir.

Mr. KENNEDY. He instructed you to distribute the authorization cards for the bakery workers?

Mr. BINNS. To the supervisors, and they would distribute them in their departments.

Mr. KENNEDY. They, in turn, would distribute them to the people in their departments; is that it?

Mr. BINNS. Yes, sir.

Mr. KENNEDY. So there was no antiunion committee formed, or anything like that?

Mr. BINNS. No, sir.

Mr. KENNEDY. Can you tell us anything else about the activities there? This was the way it operated, as I understand it. Did Mr. Bromley stay up there for a period of time?

Mr. BINNS. Yes. I believe he was there about a month. I don't know exactly how long, but as I recall it was about a month.

Mr. KENNEDY. Was there an election held?

Mr. BINNS. There was not.

Mr. KENNEDY. There was not?

Mr. BINNS. No, sir.

Mr. KENNEDY. Was there a contract negotiating committee to negotiate, a committee of the employees, with the Bakery Workers Union?

Mr. BINNS. No, sir; not to my knowledge.

Mr. KENNEDY. Do you know how the contract was drawn up? Did you have a meeting?

Let me ask you this: Did you have a meeting regarding the contract yourselves?

Mr. BINNS. Yes, sir.

Mr. KENNEDY. Can you tell us what happened in connection with that meeting?

Mr. BINNS. That meeting was in Mr. Shefferman's office in Chicago.

Mr. KENNEDY. Were you instructed to come to the meeting?

Mr. BINNS. I was.

Mr. KENNEDY. From whom did you receive those instructions?

Mr. BINNS. Mr. Kitchin.

Mr. KENNEDY. He told you to come to Chicago, to Mr. Shefferman's office?

Mr. BINNS. Yes.

Mr. KENNEDY. And the contract, was that drawn up in Mr. Shefferman's office?

First, who was at the meeting?

Mr. BINNS. Mr. Kitchin, Mr. Dawson.

Mr. KENNEDY. Who is Mr. Dawson?

Mr. BINNS. He is the attorney here. Mr. Shefferman, Mr. Bachman.

Mr. KENNEDY. B-a-c-h-m-a-n?

Mr. BINNS. I am not sure.

Mr. DAWSON. Yes.

Mr. BINNS. Both Sheffermans were there.

Mr. KENNEDY. Sheldon Shefferman, the son, and Nathan Shefferman, the father; is that right?

Mr. BINNS. Yes.

Mr. KENNEDY. Is that all that were there? Do you know?

Mr. BINNS. There were, I believe, 1 or 2 more from the Shefferman organizations, but I don't know who they were. They were in and out.

Mr. KENNEDY. Did you discuss the contract at that time—writing the contract?

Mr. BINNS. Yes, sir; we discussed the contract.

Mr. KENNEDY. Had the contract been drawn up as of that time?

Mr. BINNS. Not to my knowledge, no.

Mr. KENNEDY. Did you give them advice as to what should be put in the contract?

(The witness conferred with his counsel.)

Mr. KENNEDY. You tell me what happened at the meeting. That is all I am trying to find out.

Mr. BINNS. Well, they went through different points that would be in a contract, and they were discussed. As far as I know, there were only notes made from that meeting.

Mr. KENNEDY. What part did you take in it?

Mr. BINNS. Well, actually I just—

(The witness conferred with his counsel.)

Mr. BINNS. I took no part other than just being there.

The CHAIRMAN. Who was representing the men at that meeting?

Mr. BINNS. I didn't understand you, sir.

The CHAIRMAN. Who represented the workers at that meeting?

Mr. BINNS. No one, sir.

Mr. KENNEDY. So notes were made on the contract, is that right?

Mr. BINNS. Yes, sir.

Mr. KENNEDY. Subsequently was there a contract written?

Mr. BINNS. Yes, there was.

Mr. KENNEDY. During this visit, is that right?

Mr. BINNS. Well, the only thing I know of was that notes were made.

Mr. KENNEDY. Mr. Dawson will have to take it from there.

Could he be sworn, Mr. Chairman? He knows what happened as far as the contract.

The CHAIRMAN. You do solemnly swear that the evidence you shall give before this Senate select committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. DAWSON. I do.

TESTIMONY OF THOMAS S. DAWSON—Resumed

The CHAIRMAN. Mr. Dawson has already been identified for the record.

Mr. Dawson, was the contract already prepared when you had this meeting? Had it already been prepared, or was it prepared subsequent to this meeting?

Mr. DAWSON. No, sir. As I remember, we made a rough draft in Mr. Shefferman's office. It had not been prepared before. I think the committee has a copy of that rough draft that was prepared at that time.

Mr. KENNEDY. Was that the following day after you had this meeting, with representatives of the Shefferman concern and of the Morton Frozen Foods Co.? After you had this meeting in Shefferman's office, did you draw up a contract the next day?

Mr. DAWSON. No, I think the same day, and it was drafted right in Mr. Shefferman's office.

Mr. KENNEDY. The contract was drafted right in Mr. Shefferman's office?

Mr. DAWSON. Yes.

Mr. KENNEDY. Was there any representative of the employees of the Morton Frozen Food Co.?

Mr. DAWSON. No, there was no negotiation.

Mr. KENNEDY. Was there a representative of the bakers union present?

Mr. DAWSON. No, sir.

Mr. KENNEDY. What did you do with the contract after it was drawn up?

Mr. DAWSON. As I remember, I think I took the rough draft with me back to Louisville, smoothed it up, and sent it over to Mr. Kitchin's office in Louisville, and a few days later met with Mr. Kitchin, and Mr. Sid Carpenter—

Mr. KENNEDY. Who is he?

Mr. DAWSON. He is in labor matters. I think we made some minor changes and I think he took that draft with some notes about suggested changes, all minor, back to New York with him, and that is the last I saw of it until after it was signed.

Mr. KENNEDY. What happened was that you took this contract back to Louisville, Ky., that you had some meetings and conversations with representatives of the Continental Baking Co.?

Mr. DAWSON. That is true.

Mr. KENNEDY. That there were some minor changes made in the contract, and that it was then brought up to New York?

Mr. DAWSON. That is correct.

Mr. KENNEDY. Basically, this contract that was drawn up in Mr. Shefferman's office was the contract that was subsequently signed between the Morton Frozen Food Co. and the Bakery and Confectionery Workers Union. Is that right?

Mr. DAWSON. I think that is substantially correct. There were some changes, but I don't think there were too many.

Mr. KENNEDY. Basically it was the same contract that was drawn up at that time in the office of Nathan W. Shefferman, with the representatives of Nathan Shefferman, Sheldon Shefferman, and the representatives of the Morton Frozen Food Co., that contract that was drawn up at that time was actually, with a couple of minor exceptions, the contract that was subsequently signed between the bakery workers union and the Morton Frozen Food Co. as far as wages, hours, and conditions; is that right?

Mr. DAWSON. I can't give you a categorical answer to that because I am not too familiar with it at this time. It has been some time ago. I think that is probably right. The committee staff has a copy of this draft and of the executed contract. The committee has that in their possession.

Mr. KENNEDY. Well, in your opinion is that correct?

Mr. DAWSON. I think that is substantially correct.

Mr. KENNEDY. We will go into that subsequently in detail, Mr. Chairman.

Mr. DAWSON. Mr. Chairman, I might say he raised a question there as to whether the union was represented in that meeting. It was not a negotiation. My understanding was that we would draft a contract that would be acceptable to the company which would later be presented to the union in an effort to get them to sign the contract that was acceptable.

The CHAIRMAN. At that time, you were not negotiating the contract, you were still preparing one?

Mr. DAWSON. That is right, hoping that we could get it accepted, that is right.

The CHAIRMAN. In other words, that became the company's proposition to the labor union? That is what it amounted to?

Mr. DAWSON. That is right.

Senator KENNEDY. May I just ask a question?

The CHAIRMAN. Yes.

Senator KENNEDY. Were you the one to suggest to Mr. Kitchin the hiring of Nathan Shefferman?

Mr. DAWSON. No, sir.

Senator KENNEDY. Did he discuss it with you before Nathan Shefferman was hired?

Mr. DAWSON. No, sir.

Senator KENNEDY. Did you represent other clients who had Nathan Shefferman?

Mr. DAWSON. I have represented other people who have employed him, yes, sir.

Senator KENNEDY. You live in the same town with Mr. Kitchin?

Mr. DAWSON. That is right.

Senator KENNEDY. The first you heard of this entire case was when you went to Mr. Nathan Shefferman's office to work on this contract?

Mr. DAWSON. No. I think I knew that they had employed Mr. Nathan Shefferman's organization before that meeting.

Senator KENNEDY. But you were not compensated in any way for legal advice on this whole case we are discussing until the day you went to Nathan Shefferman's office to work on this contract?

Mr. DAWSON. We are on a retainer basis, Mr. Senator, and there was no charge made for that.

Senator KENNEDY. But you had no connection with the case, in the details of the case that we heard, as an attorney, except to work on the contract negotiations, is that correct?

Mr. DAWSON. That is correct.

Senator KENNEDY. All of these things which we are discussing, which seem to me to be unfair labor practices, that was not done with your advice or that you knew about it?

Mr. DAWSON. No. Not a bit. I didn't have any familiarity with anything that Mr. Shefferman did. In connection with the 1955 election, I was attending a Labor Board hearing when we were resisting the efforts to have an election. We fought it through the Labor Board. I sat through that hearing, although I was not the main attorney in the case. I just listened. That was about my only connection.

Senator KENNEDY. Did you ever have any conversations with Mr. Karr, the attorney for the company?

Mr. DAWSON. On the day of the hearing I did; yes, sir.

Senator KENNEDY. During this period we are talking about?

Mr. DAWSON. No, sir.

Senator CURTIS. I have a question, Mr. Chairman.

The CHAIRMAN. Senator Curtis.

Senator CURTIS. I would like to ask Mr. Binns a question.

TESTIMONY OF KEITH BINNS—Resumed

Senator CURTIS. How long had this plant been operating when the packinghouse workers tried to organize them?

Mr. BINNS. The plant went into operation February 21, 1955.

Senator CURTIS. When did the packinghouse workers try to go in?

Mr. BINNS. In June of 1955.

Senator CURTIS. They operated from February to June?

Mr. BINNS. That is true.

Senator CURTIS. When Mr. Nevitt came down to carry on this work, did you give directions to Mr. Nevitt, or did he give directions to you?

Mr. BINNS. He gave directions to me, sir.

Senator CURTIS. His ideas?

Mr. BINNS. Yes, sir.

Senator CURTIS. On the return engagement, did you give directions to Mr. Bromley or did Mr. Bromley give directions to you?

Mr. BINNS. Mr. Bromley gave directions to me.

Senator CURTIS. In other words, you were in charge of the plant there which had been, open for a few months, and when the question of unionization arose, you called your boss?

Mr. BINNS. That is right.

Senator CURTIS. And then the Shefferman people came down and engineered the thing and gave you directions on what to do?

Mr. BINNS. Yes, sir.

Mr. KENNEDY. Mr. Binns, were your suggestions requested as to who should be the officers of the new bakery workers union?

Mr. BINNS. I did suggest that, yes, sir.

Mr. KENNEDY. You what?

Mr. BINNS. I did suggest that.

Mr. KENNEDY. For what reason did you suggest who would be the officers of the union?

Mr. BINNS. I was so instructed to.

Mr. KENNEDY. By whom?

Mr. BINNS. By Mr. Kitchin.

Mr. KENNEDY. Mr. Kitchin said you should furnish your suggestions as to who should be the new officers of the local?

Mr. BINNS. Yes, sir.

Mr. KENNEDY. And who should you furnish that information to?

Mr. BINNS. To Merle Smith, who was the organizer.

Mr. KENNEDY. And did you write him a letter telling him?

Mr. BINNS. I did.

Mr. KENNEDY. Did you have any discussions with Mr. Shefferman concerning that?

Mr. BINNS. With Bromley, yes.

Mr. KENNEDY. What did Mr. Bromley say?

Mr. BINNS. Well, he already prepared the list.

Mr. KENNEDY. He prepared the list he thought should be the officers?

Mr. BINNS. Yes. Prior to my knowing anything about it at all.

Mr. KENNEDY. So you incorporated those names in your letter to Mr. Smith?

Mr. BINNS. Yes, sir.

Mr. KENNEDY. That is Merle Smith, who was the representative of the bakery union in that area. Is that right?

Mr. BINNS. Yes, sir.

The CHAIRMAN. How were these officers to be elected or appointed? (The witness conferred with his counsel.)

Mr. BINNS. I don't know. That was only a suggestive list. They weren't all accepted, either.

The CHAIRMAN. I will present you a copy of this letter. See if you recognize that as a copy of the letter to which you refer.

(Document handed to witness, who conferred with this counsel.)

Mr. BINNS. Yes, sir; that is a copy.

The CHAIRMAN. It may be made exhibit No. 3.

(The document referred to was marked "Exhibit No. 3" for reference and may be found in the files of the select committee.)

The CHAIRMAN. Let me ask you if those people didn't become officers of the local.

Mr. BINNS. Some of them did. However, the top officers were changed.

The CHAIRMAN. The top officers were changed?

Mr. BINNS. Yes.

The CHAIRMAN. How did they become officers? Were they elected by the members of the union, by the workers, or were they appointed by somebody?

Mr. BINNS. I don't know that, Mr. Chairman.

The CHAIRMAN. It is a peculiar thing, setting up a union and management telling them who they are going to have as officers. I wonder how they got them appointed or elected.

Mr. BINNS. This was only a suggestion of the officers.

The CHAIRMAN. Apparently, it was a pretty strong suggestion. It was effective in some instances, at least.

Mr. KENNEDY. Did you understand, Mr. Binns, that there was opposition in your plant and dissatisfaction with the contract by your employees?

Mr. BINNS. Yes, sir. I did.

Mr. KENNEDY. And did you, in fact, put a notice up regarding that dissatisfaction? Did you send a notice out? I can refresh your recollection.

The CHAIRMAN. The Chair presents to you a document and asks you to examine it and see if you identify it. If so, state what it is.

(Document handed to witness, who conferred with his counsel.)

The CHAIRMAN. Have you examined the document?

Mr. BINNS. Yes; I have.

The CHAIRMAN. Do you identify it?

Mr. BINNS. I do.

The CHAIRMAN. What is it?

Mr. BINNS. It was a notice that was written and sent to the employees on January 4, 1957.

The CHAIRMAN. That was sent out to your employees?

Mr. BINNS. Yes, sir; it was.

The CHAIRMAN. Who directed you to send it? Where did you get your instructions about that?

Mr. BINNS. Mr. Kitchin.

The CHAIRMAN. Mr. Kitchin?

Mr. BINNS. Yes, sir.

The CHAIRMAN. He instructed you to send out such a notice?

Mr. BINNS. Pardon?

The CHAIRMAN. Mr. Kitchin instructed you to send out that notice, or something to that effect, to the employees?

Mr. BINNS. Yes, sir.

The CHAIRMAN. That may be made exhibit No. 4.

(The document referred to was marked "Exhibit No. 4" for reference, and may be found in the files of the select committee.)

Mr. KENNEDY. Mr. Chairman, I would like to read that into the record, and also this letter was written regarding the employees.

The CHAIRMAN. It may be printed into the record. Do you want to read it?

Mr. KENNEDY. Yes.

The CHAIRMAN. It may be read.

Mr. KENNEDY. Dated November 15, 1956, on the stationery of the Morton Frozen Foods, Inc., letterhead, to Mr. Merle Smith.

(The letter referred to follows:)

MORTON FROZEN FOODS, INC.,
Louisville, Ky., November 15, 1956.

Mr. MERLE SMITH,

*Bakery and Confectionery Workers International Union of America,
Webster City, Iowa.*

DEAR MR. SMITH: We have been asked to submit a list of people for offices in the forthcoming union here in the Webster City division. We have given this thorough study and consideration, and feel that this list of officers would best represent the employees and would be very fair in their dealings with management:

President, Clifford Hayes

Vice president, Joyce Fortune

Secretary, Ethel Urich

Stewards, day shift:

Processing area, Peter Hanson, Bessie Larson

Dock and freezers, Richard Jessen

Night shift, second:

Processing area, Iris Jensen

Dock and freezer, William Dirks

Night shift, third: All third-shift personnel, Margie Hill

We do hope that the above list meets with your approval, and feel that they would effectively do their work to the satisfaction of the employees and to management.

Very truly yours,

KEITH C. BINNS, *Manager.*

Mr. KENNEDY. Then, Mr. Chairman, this is the notice that went on the board, dated January 4, 1957.

(The notice referred to follows:)

JANUARY 4, 1957.

To All Employees:

This bulletin is being given to each employee in this plant to once again clarify the management's recognition of the bakers and confectionery workers union. As the management, we recognized that this union would be most beneficial to you as an employee, and to us as management, in distributing our product along with the union label. As you are aware, Continental has some 6,400 salesmen-drivers in their system. From this fact alone, you can realize the tremendous sales potential these men can create. The more sales, the more assured you are of continuous work.

There seems to be some concern as to the contract and the 5-cent increase. The union, after going through our financial statements, felt that at the present time the company, economically, could only bear a 5-cent increase at the present time. The remainder of the contract is very economically sound. There are some details excluded: however, we have been able to work some of these out, and I am sure that as more come up, we here can satisfactorily work these out.

In summarizing the above I hope that I have clarified some of the questions that have been in your minds. The company certainly intends to work with the union, and in turn, we feel that the union will work with us. It takes a mutual feeling of good will. The management wishes and expects you to participate in all of your union activities. This will assure us as management that we are working with all employees in this plant, and, as stated

above, we as management do intend to work with the bakers and confectionery workers union, which is a representation of you, as an employee.

I would like to express to you at this time a wish for a very happy and prosperous new year.

Thank you.

KEITH C. BINNS,
General Manager.

Mr. KENNEDY. You were also assisting, were you not, in making sure that all the employees were signed up in the union?

(The witness conferred with his counsel.)

Mr. DAWSON. He does not understand the question.

Mr. KENNEDY. You were also assisting, were you not, the bakery workers, to make sure that all of the employees were signed up in the union, to insure that all of the employees were members of the union, were you not?

Mr. BINNS. Yes, as far as furnishing a list.

Mr. KENNEDY. And also the union would keep you advised as to who was not signed up in the union so that you could get in touch with them, is that right?

Mr. BINNS. Yes, sir.

Mr. KENNEDY. Mr. Chairman, in connection with that, here is a letter of February 12, 1957.

The CHAIRMAN. The Chair hands you a photostatic copy of a letter dated February 12, 1957, addressed to you from Merle C. Smith. Would you examine that and see if you identify it?

(A document was handed to the witness.)

Mr. BINNS. I recognize it.

The CHAIRMAN. That may be made exhibit No. 5.

(The document referred to was marked "Exhibit No. 5" for reference and will be found in the appendix on p. 6221.)

Mr. KENNEDY. I just might read, Mr. Chairman, briefly. This is dated February 12, 1957, to Mr. Keith Binns.

DEAR SIR: Following is a list of names of the ones who have not at this date signed papers authorizing the checkoff of union dues.

And then it gives a list of employees. At the bottom it says:

There may be others that we have overlooked, but this is the present list. We would appreciate any assistance you can give in cutting down this list as far as possible.

The CHAIRMAN. Did all of them finally sign up? Did all of them join? Did all of your employees join this union?

Mr. BINNS. I don't think all of them did. However, I do not know that. I don't believe all of them; no, sir.

Senator KENNEDY. I would like to ask one question. You have read the Taft-Hartley law; have you not?

Mr. BINNS. Pardon?

Senator KENNEDY. You have read the Taft-Hartley Act?

Mr. BINNS. No, sir; I have not.

Senator KENNEDY. You never read it?

Mr. BINNS. No, sir.

Senator KENNEDY. Did you know that section 8 (a) (1) states that it will be an unfair labor practice to interfere, restrain, or coerce employees in the exercise of their rights guaranteed in section 7 of this title, and No. 2, is to dominate or interfere with the formation or administration of any labor organization.

In other words, you have never read that section?

Mr. BINNS. No, sir; I have not.

Senator KENNEDY. Did you get legal advice during this period? You had Mr. Karr, as I remember it. He was the attorney for the company?

Mr. BINNS. Yes, sir.

Senator KENNEDY. Did you ever discuss with him what your rights were and the actions you were taking in regard to giving those who were active in union work that would encourage them to resign, No. 1, and the letters you have written?

All of those acts are covered by the Taft-Hartley Act and are, in my opinion, prohibited. Of course, that is a decision the Board will have to arrive at. But did you get any legal advice as to what you could do legally and what you could do or could not do as far as limiting or encouraging organization in your company?

Mr. BINNS. Certainly Mr. Karr was aware of it.

Senator KENNEDY. Did Mr. Karr tell you that some of the actions you had taken were not permitted under the Taft-Hartley Act?

Mr. BINNS. I would like to clear up one thing, if I may, sir. I was only following instructions.

Senator KENNEDY. Whose instructions?

Mr. BINNS. My superiors.

Senator KENNEDY. Mr. Kitchin?

Mr. BINNS. That is right.

Senator KENNEDY. Was Mr. Kitchin informed as to every action that you took?

Mr. BINNS. As far as I know; yes, sir.

Senator KENNEDY. In other words, when you sent out a letter to the bakery union with a list of those people who had not joined a union or when you assigned a worker in the company to less satisfactory work or undesirable work in the hope that they would resign, was your superior informed of that?

(The witness conferred with his counsel.)

Mr. BINNS. Yes; he knew about that.

Senator KENNEDY. In other words, every action that you took to discourage the packers coming into the plant as the union and every action you took to encourage the bakers workers was known to your superior?

Mr. BINNS. That I took; yes, sir.

Senator KENNEDY. In other words, you felt that the actions you were taking represented company policy?

Mr. BINNS. Yes, sir.

Senator KENNEDY. Let me ask you this: Do you know who was advising Mr. Kitchin of the legal rights that you had in the actions you took? In other words, you were taking action which, in my opinion, was against the Taft-Hartley Act. Did you get legal advice which would tell you whether you could do that?

Did you know that you were limited in the action you could take to prevent a union from coming into a company or to encourage a union coming into a company?

(The witness conferred with his counsel.)

Mr. BINNS. In the first particular case, in 1955, I was told, and certainly I understood, that as far as Nathan Shefferman's actions

in the plant, it was strictly up to him. Everything that he did did not come from me, or only a small part of it.

Senator KENNEDY. In other words, you were told by Mr. Kitchin that you were to work with Mr. Shefferman's representatives and under their direction and, therefore, all of the actions which we have heard discussed, this is the statement you are making, came about as a result of the advice of Mr. Shefferman's representatives; is that correct?

Mr. BINNS. That is correct.

Senator KENNEDY. And you, yourself, never read the Taft-Hartley Act and never knew whether the actions you were taking were in accord with it or against it; is that correct?

Mr. BINNS. That is correct.

Senator KENNEDY. You never discussed it with Mr. Karr?

Mr. BINNS. I don't recall discussing it with him; no.

Senator KENNEDY. In other words, you just discussed it with Mr. Shefferman. Did you ever discuss it with the other attorney, Mr. Lund?

Mr. BINNS. No, sir.

Senator KENNEDY. Mr. Karr, as I understand it, was the one that filled out this family information form and which at the bottom of it had, "No," at the bottom of it, which means he is against the union, and then it says, "Get rid." Did Mr. Karr tell you that?

The CHAIRMAN. "No" means he is for the union.

Mr. KENNEDY. "No" means he is for the union and they are to get rid of him.

Senator KENNEDY. Well, you tell us, so we can get this straight. What does "get rid" mean? To discourage him so he will resign?

Mr. BINNS. Yes, sir.

Senator KENNEDY. Does that mean he was for the packinghouse or for the bakery?

Mr. BINNS. Well, of course, the packinghouse was the first union in there. When the B. and C. were in there, to my knowledge, the packinghouse workers were not in there.

Senator KENNEDY. I would like to ask counsel. Did Mr. Karr have anything to do with this?

Mr. KENNEDY. What happened was that this form was made up at the suggestion of Mr. Nevitt—and correct me if I am wrong—who was—

Senator KENNEDY. Was Mr. Nevitt an attorney?

Mr. BINNS. I can't know that.

Mr. KENNEDY. Mr. Nevitt was a representative of Mr. Shefferman. He came up and met with management. Management had an attorney, Mr. Karr. Mr. Karr was approached. This form was made up by Mr. Nevitt.

Mr. Karr knew the people in the area. They would make a form like this up for everyone that they had employed or that they expected to employ.

They would send that form in to Mr. Karr. Mr. Karr would check the background of the individual and then he would advise the company whether, if the man was already employed, to get rid of the man or, if he had not been employed, whether he could be hired.

That was based on whether he was for or against the union. So, in my estimation, it is a clear violation of the Taft-Hartley. But in

addition to that, they went further than that and got another attorney, through Mr. Karr, another attorney, Mr. Lund, who handled the affairs of the employees' committee which, once again, is a clear violation of the Taft-Hartley, in my judgment.

Senator KENNEDY. I am hoping that these attorneys come in. It seems to me they have a good deal of responsibility as well as Mr. Shefferman in giving you the advice that they did and Mr. Kitchin obviously had responsibility in giving you the advice that he gave you.

Therefore, having supervision of the actions that you took, which were improper, I think they should come forward. I must say that I think you have been a very honest witness, which I think is helpful to the committee.

Mr. BINNS. Thank you.

Senator KENNEDY. It may not be desirable from the point of view of your company, but, nevertheless, you have, as I gather it, you have told the truth.

Mr. BINNS. To the best of my ability, I have.

The CHAIRMAN. Do you still work for the company?

Mr. BINNS. Yes; I do.

Senator ERVIN. The fact is the Morton Frozen Food Co., the management of Morton Frozen Co. that owned the plant was opposed to a union and then when the Continental Baking Co. acquired ownership, they favored the union. Is that right?

Mr. BINNS. Yes; that is true.

Senator ERVIN. And Mr. Shefferman's associates, they furnished assistance on both sides of the fence, just depending on which side they wanted to work?

Mr. BINNS. Yes, sir.

Senator McNAMARA. Mr. Chairman?

The CHAIRMAN. Senator McNamara.

Senator McNAMARA. Your immediate superior was the same man when it was the Morton Co. before it was associated with Continental Bakery as it was after; is that right?

Mr. BINNS. Yes, sir.

Senator McNAMARA. There was no change, as far as you are concerned, with your relationship with it, but your superior was still the same man?

Mr. BINNS. Yes, sir.

Senator McNAMARA. Does the name of the company still remain the Morton Co.?

Mr. DAWSON. May I clear that up? It was the Morton Packing Co. That was a Kentucky corporation. It is now Morton Frozen Foods, a division of Continental Baking Co.

Senator McNAMARA. What is this, just a franchise deal, or is it a merger? How do you describe it?

Mr. DAWSON. No; it is a part of Continental Baking Co., just a division of that company.

Senator McNAMARA. What does that mean, that they operate under a franchise?

Mr. DAWSON. No, sir; it is just operated as part of the Continental Baking Co.

Senator McNAMARA. Then it is a merger of the two companies.

Mr. DAWSON. They bought the assets, dissolved the corporation, and they became a part of Continental.

Senator McNAMARA. I would like to ask the plant manager this question: You are still the plant manager of this same plant?

Mr. BINNS. No, sir. I left there March 31st of this year.

Senator McNAMARA. You now work for Continental Baking?

Mr. BINNS. Yes; in Louisville, Ky.

Senator McNAMARA. You have the same superior?

Mr. BINNS. Yes, sir.

Senator McNAMARA. That is, the same as you had prior to this?

Mr. BINNS. Yes, sir.

Senator McNAMARA. You are in the same capacity in another plant?

Mr. BINNS. No, sir; I am administrative assistant.

Senator McNAMARA. You are administrative assistant, I see. Then from your knowledge of the employees in the Morton plant, when the packinghouse workers were attempting to organize it, do you believe that they would have voted in favor of the Packinghouse Workers Union had there not been this antiunion campaign on the part of the company?

Mr. BINN. In my opinion, I do not believe that they would have gotten in.

Senator McNAMARA. They would have organized the company?

Mr. BINN. No; I do not think so.

Senator McNAMARA. You think they would not have?

Mr. BINNS. No.

Senator McNAMARA. In your estimation, the packinghouse workers would not have won the majority of the members, the employees of the plant?

Mr. BINNS. Yes; that is my impression.

Senator McNAMARA. You do not think they would have been successful?

Mr. BINNS. That is right, I do not think they would have been.

Senator McNAMARA. Do you know if they had been successful, whether the wages would have been considerably higher than they are now?

(The witness conferred with his counsel.)

Mr. BINNS. Yes, sir.

Senator McNAMARA. They would have been higher?

Mr. BINNS. Yes.

Senator McNAMARA. But despite that, you do not think that the employees would have gone along with the packinghouse workers?

Mr. BINNS. In my opinion, again, I do not, Senator, because we had just gotten started there.

Senator McNAMARA. If it was left to your judgment, you would not have hired Sherfferman because you thought you had no use for him; is that it?

(The witness conferred with his counsel.)

Mr. BINNS. Let me say this, that we had no personnel department.

Senator McNAMARA. You had no personnel problems?

Mr. BINNS. No personnel department. In the plant or as far as the company was concerned, we had none.

Senator McNAMARA. In other words, you handled everything, you were the personnel department as well as the plant manager?

Mr. BINNS. Yes, sir.

Senator McNAMARA. You had no personnel problems of any kind?

Mr. BINNS. Well, we just had gotten started.

Senator McNAMARA. Well, you had been in operation for 3 or 4 months.

Mr. BINNS. February 21st of that year.

Senator McNAMARA. That is, when the packinghouse people came along it was only a few months?

Mr. BINNS. Yes, sir.

Senator McNAMARA. Your understanding in the first instance is that Shefferman was hired to set up a personnel department in the organization; is that right?

Mr. BINNS. Yes, sir.

Senator McNAMARA. Then it developed that he was hired for another purpose, to keep the union out?

Mr. BINNS. Yes, sir.

Senator McNAMARA. Were you there long after the bakery workers started to represent the employees? Were you there for some months?

Mr. BINNS. I left the 31st day of March of this year.

Senator McNAMARA. Then you were there for some months?

Mr. BINNS. Three months; yes, sir.

Senator McNAMARA. Do you know whether or not the employees held meetings, which were operated as you understand a union would function with employees, holding meetings and electing their officers and such things, under the bakery workers?

Mr. BINNS. I do not quite understand your question.

Senator McNAMARA. You were there for some months after the bakery workers signed this contract that was offered to them by the management?

Mr. BINNS. Yes, sir.

Senator McNAMARA. Do you know whether your employees then started to function in a regular trade union, holding periodic meetings and selecting their own officers and all of those things?

Mr. BINNS. Yes, they have meetings.

Senator McNAMARA. Did you recognize their stewards that were selected as responsible men for the employees?

Mr. BINNS. Yes, sir.

Senator McNAMARA. Did they set up grievance procedures and such things?

Mr. BINNS. Yes, sir.

Senator McNAMARA. So in your estimation, they were functioning as a proper trade union?

Mr. BINNS. Yes.

Senator McNAMARA. That is all, Mr. Chairman.

Senator KENNEDY. I have one more question.

Mr. Binns, you stated that you never read the Taft-Hartley Act. I do not have any doubt that Mr. Kitchin, however, is in charge of personnel—is that correct—for your whole company?

Mr. BINNS. In charge of production, Senator.

Senator KENNEDY. And personnel?

Mr. BINNS. Yes, sir. No, no.

Senator KENNEDY. Who is in charge of personnel?

Mr. BINNS. There is no personnel department.

Senator KENNEDY. This is controlled by Continental Baking, this company?

Mr. BINNS. Yes, sir.

Senator KENNEDY. And is Continental Baking the biggest company of its kind in the country?

Mr. BINNS. Yes, as I understand.

Senator KENNEDY. Do you not assume that Mr. Kitchin had some consultation with the governing officials, the responsible officials, of Continental Baking about this matter?

Mr. BINNS. Yes, sir.

Senator KENNEDY. You do assume that?

Mr. BINNS. Yes, sir.

Senator KENNEDY. So you assume that some place in the company Mr. Kitchin talked with someone who had read the Taft-Hartley Act, who must have been familiar with the fact of whether the practices you were carrying out were unfair labor practices or not?

Mr. BINNS. I would assume that.

Senator KENNEDY. In other words, we must assume that Mr. Kitchin, who supervised your action, was aware and Continental Baking Co. was aware that what they were doing were unfair labor practices.

Mr. BINNS. As far as I am concerned, yes.

Senator KENNEDY. I have no doubt that they were unfair labor practices. They were supervised by Mr. Kitchin, the top management of one of the largest companies in the Nation.

It says in section 3 it is an unfair labor practice for any employer by discrimination in regard to hire or tenure of employment or any term or condition of employment to encourage or discourage membership in any labor organization.

I do not think there is any doubt but that the actions that your company took in this case were unfair labor practices. You did encourage in regard to hiring, tenure of employment, and membership in a labor organization, or sought to do so.

I think that Continental and the Morton Co. have a great responsibility to bear in their permitting actions of this type to take place.

Senator McNAMARA. Mr. Chairman, just one more question.

Did the Morton Co. originate in this instance or did they have other plants?

Mr. BINNS. They originated in Louisville, Ky. They, at that time, had plants in Crozet, Va., Louisville, Ky., and Nashville, Tenn.

Senator McNAMARA. And this plant in Iowa was a branch plant of the Louisville operation?

Mr. BINNS. Yes, sir.

Senator McNAMARA. Then it was an old company. How old was it?

Mr. DAWSON. Probably 20. That is a guess.

Senator McNAMARA. It has been in operation for many years?

Mr. DAWSON. Yes. Not in this particular line of food products, but others.

Senator McNAMARA. Other food processing?

Mr. DAWSON. Yes, sir.

Senator McNAMARA. Do you know whether or not they are a union plant in Kentucky?

Mr. DAWSON. No.

Senator McNAMARA. They were nonunion?

Mr. DAWSON. Yes.

Senator McNAMARA. This was the first experience of the Morton Co. as far as you understand?

Mr. DAWSON. Yes, sir.

Senator McNAMARA. Have the bakery workers taken over the operations of the company in Kentucky?

Mr. DAWSON. No, sir.

Senator McNAMARA. That is all, sir.

The CHAIRMAN. The committee will stand in recess until 2:30.

(Whereupon, at 1:10 p. m., the hearing in the above-entitled matter was recessed, to reconvene at 2:30 p. m., of the same day.)

(Members of the select committee present at the taking of the recess were Senators McClellan, Ervin, Kennedy, McNamara, and Curtis.)

AFTER RECESS

(The select committee reconvened at 2:30 p. m., Senator John L. McClellan (chairman) presiding.)

The CHAIRMAN. The committee will be in order.

(Members of the select committee present at the convening of the session: Senators McClellan and Curtis.)

The CHAIRMAN. All right, Mr. Kennedy, proceed.

TESTIMONY OF PIERRE E. G. SALINGER—Resumed

Mr. KENNEDY. Mr. Salinger, you have been sworn before. Mr. Chairman, I want to put some more figures in the record at this time.

You made an examination of the records of the Morton Frozen Food Co., as well as the LRA, have you, Mr. Shefferman's firm, and these figures were obtained from Mr. Shefferman's firm. Can you tell the committee what expenditures were made by the Morton Frozen Food Co., first to defeat the packinghouse workers through the use of LRA, and then will you give us the figure of how much was given to LRA in order to bring the bakery workers union into the plant?

Mr. SALINGER. During the year 1955, which was the year that the packinghouse workers attempted to organize the plant, starting with the month of July, which is when they employed the services of Mr. Shefferman, the company spent a total of \$12,590.29 on the services of Mr. Shefferman to defeat the packinghouse workers.

Mr. KENNEDY. How much was spent on the services of Mr. Shefferman to assist the bakery workers?

Mr. SALINGER. In the following year, the firm charged the Morton Frozen Food Co. a total of \$8,306.38 in their effort to bring in the bakery workers' union.

Mr. KENNEDY. So it cost \$12,000 to defeat the union, and \$8,000 to bring one in.

Mr. SALINGER. That is right.

Mr. KENNEDY. Now, do you have—

The CHAIRMAN. Does that include attorney fees that they may have paid?

Mr. SALINGER. That would include all fees that they would have paid: yes, sir. If I can explain those attorney fees, usually the way they are, the way they show up on these bills, the labor relations firm

submits to the client, in this case the Morton Frozen Food, and they just say, "Disbursements," so many dollars, or \$1,400, and included in that amount would be whatever they had spent on behalf of the attorney.

Mr. KENNEDY. Do you have some other figures there?

Mr. SALINGER. Well, Mr. Nevitt was not the only employee of Labor Relations Association of Chicago, who was in Webster City during the time the packinghouse workers were attempting to organize that plant. In fact, during the month of November, just before the election, they had quite a task force out there. This included Mr. Louis Jackson, who was the head of the New York office of LRA; Mr. Murton Orr, assistant to Mr. Jackson, in New York; Mr. Walter J. Patterson, who works out of the Chicago office; Mr. John Shore, who works out of the Chicago office; and Nathan Shefferman himself.

Mr. KENNEDY. Did they have a task force up there to assist the bakery union?

Mr. SALINGER. The only task force that assisted the bakers union was Mr. Charles Bromley, and then for several days Mr. James T. Nelson also spent some time out there, another employee of Labor Relations Associates.

Mr. KENNEDY. They had approximately six people up there to defeat the packinghouse workers, and a couple up there to help the bakers; is that right?

Mr. SALINGER. Yes, sir.

Senator CURTIS. Do you establish that by reason of the expense accounts?

Mr. SALINGER. We have in our possession the daily reports of the employees of Mr. Shefferman's firm, and we have been able to reconstruct their activities from these daily reports.

Mr. KENNEDY. I think that is all.

Mr. Stewart Lund, Mr. Chairman.

The CHAIRMAN. You solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. LUND. I do, sir.

TESTIMONY OF STEWART LUND

The CHAIRMAN. Give your name, your place of residence, and your profession or occupation.

Mr. LUND. My name is Stewart H. M. Lund, I am an attorney and practicing law in the firm of Lund & Lund of Webster City, Iowa, and my home address is 728 Elm Street.

The CHAIRMAN. Being an attorney, I assume that you waive right of counsel.

Mr. LUND. Some of my clients have waived it, so I don't think I even ought to take my own, Senator. I will waive it.

Mr. KENNEDY. You are an attorney in Webster City, Iowa?

Mr. LUND. Yes, sir.

Mr. KENNEDY. Were you approached to do some work for a committee, antiunion committee, at the Morton Frozen Foods Co.?

Mr. LUND. That is right, sir.

Mr. KENNEDY. Were you first approached by the members of the committee?

Mr. LUND. No, I was approached first by Mr. Lloyd Karr, a local attorney in Webster City.

Mr. KENNEDY. Did Mr. Karr represent these employees?

Mr. LUND. No, Mr. Karr was a retained attorney for Morton's.

Mr. KENNEDY. So you were approached by the attorney for the Morton Frozen Foods Co.?

Mr. LUND. That is correct, sir.

Mr. KENNEDY. What did he say to you at that time?

Mr. LUND. He made inquiry of me, if I would be interested in representing a committee of people who did not want a union in Morton's, and if I would be interested in engaging in that kind of work. I told him at that time that if the committee saw fit to employ me, or retain me as such, I would consider it, and it was the first meeting I had with Mr. Karr.

Mr. KENNEDY. Subsequently, did you meet with some of the employees that he sent to your office?

Mr. LUND. Yes, sir. I believe the first time Mr. Hayes and Mr. Long came to the office, the first time and on that same day or the next morning early, there were 7 or 8 or 9, a small group of them came together.

Mr. KENNEDY. You started meeting with them; is that right?

Mr. LUND. That is correct.

Mr. KENNEDY. During the course of these meetings, did you arrange to have antiunion literature printed up and distributed?

Mr. LUND. That is right, sir.

Mr. KENNEDY. And did you also meet during this period of time and obtain advice from a man by the name of John Nevitt?

Mr. LUND. I met him but I didn't receive advice. I received suggestions, and I had a definite reservation from Mr. Karr with reference to my employment and I would not say I received advice from him, but I was at meetings where he was present.

Mr. KENNEDY. Whom did you meet with? You met with Mr. Nevitt and who else was present?

Mr. LUND. Well, I believe Mr. Binns sat in.

Mr. KENNEDY. Mr. Binns?

Mr. LUND. Yes, sir.

Mr. KENNEDY. He is general manager of the plant?

Mr. LUND. Yes, sir; he is general manager at Morton's. I was acquainted with him, of course, not socially or businesswise, but I knew who he was. My office happens to be very close to the plant.

(At this point Senator Kennedy entered the hearing room.)

Mr. LUND. I used to see him and greet him, but Mr. Binns on these meetings at Mr. Karr's office was present although he took no activity in the meetings, and Mr. Nevitt was there on 3 or 4 occasions and I am not definite as to the number of occasions. I have tried to reconstruct notes to tell us just exactly how many, but I cannot. There were 3, or 4, or maybe 5 meetings that I had at Mr. Karr's office, and I believe at substantially all of these Mr. Nevitt was present.

Now, there were some other people present, but I don't recall their names, or exactly who they were, or what the connection was.

Mr. KENNEDY. At those meetings, were you discussing the activities of this employees' committee?

Mr. LUND. Yes.

Mr. KENNEDY. And were you also discussing the kind of literature that would be put out?

Mr. LUND. There was a discussion of that; yes, sir.

Mr. KENNEDY. And did Mr. Nevitt make certain suggestions to you, as far as the literature was concerned?

Mr. LUND. There were suggestions made by both Mr. Karr and Mr. Nevitt.

Mr. KENNEDY. And Mr. Nevitt told you about the kind of literature that he had used or had been used by his firm in other areas and other companies?

Mr. LUND. I didn't understand the word "firm," Mr. Kennedy. I did understand that this literature had been used successfully in other communities, but not until after this committee started investigating did I know the connection of Mr. Nevitt. I understood that he was an employee of Morton's.

Mr. KENNEDY. Did you work your literature up from what was suggested by Mr. Nevitt, that had been used successfully in other places?

Mr. LUND. I had used some of that as a format, but not verbatim. I used some of it; yes, sir.

Mr. KENNEDY. Now, were you also working to find out the background of the employees?

Mr. LUND. No; I had nothing to do with that at all. All I did was to more or less know who the people were that came to my office.

Mr. KENNEDY. Did you make any kind of investigation of Mr. Peterson, of the packinghouse workers?

Mr. LUND. I made an investigation of that by telephone, and it amounted to two telephone calls to Estherville, to people whom I knew, with reference to the activities that had taken place in Estherville; yes.

Mr. KENNEDY. And then some literature was put out on Mr. Peterson?

Mr. LUND. That is correct, and it was put out at my office.

Mr. KENNEDY. Was that approved by Mr. Binns first?

Mr. LUND. No; he had nothing to do with it.

Mr. KENNEDY. Was that planned with Mr. Nevitt? Did Mr. Nevitt first suggest that you check on Mr. Peterson?

Mr. LUND. I don't know who would have suggested it first. I do know that my policy in handling this particular committee was that I made my own personal investigation of any of the literature that was put out first before I put it out.

Now, who suggested it, I am not certain. It would probably have been suggested at those meetings and it could have been, and whether it was Mr. Nevitt or not I don't know.

Mr. KENNEDY. Did you review generally who was for the union and who was against the union, so that the company would be kept informed?

Mr. LUND. I didn't get into that too deeply.

Mr. KENNEDY. But you did do a little of that?

Mr. LUND. Yes, sir.

Mr. KENNEDY. You did do a little of that?

Mr. LUND. I got a little of that from the committee as they met with me from time to time, more or less to check the progress where they felt there were any specific departments in the plant that were tending to go for the union, or tending to go against the committee, or vice versa.

It was just what the reaction was. It was not just by numbers and not by names, because I didn't recognize all of the names.

Mr. KENNEDY. You received some compensation, did you, for this work?

Mr. LUND. I did eventually; yes, sir.

Mr. KENNEDY. You received that compensation from the Morton Frozen Foods Co.?

Mr. LUND. No, sir; I did not.

Mr. KENNEDY. You received it from the attorney of the Morton Frozen Foods?

Mr. LUND. Mr. Karr paid me that directly; that is correct, sir.

Mr. KENNEDY. They paid you \$400?

Mr. LUND. I would like to verify that—\$458.10 and that was paid to me roughly about December 20, that is when my deposit record indicates that I received it. At least that is the day I deposited it.

Mr. KENNEDY. You received that money from the attorney of the Morton Frozen Foods Co.?

Mr. LUND. Yes, sir; that was received from Lloyd Karr and he paid me that himself.

Mr. KENNEDY. Did you understand that everything that you were doing, first being given this position through the company, meeting with representatives of the company, it was all clearly in violation of the Taft-Hartley Act?

Mr. LUND. No.

Mr. KENNEDY. You don't understand that?

Mr. LUND. No, sir; that is not the situation.

Mr. KENNEDY. Have you ever read the Taft-Hartley Act?

Mr. LUND. I have, sir.

Mr. KENNEDY. When we went out and interviewed you first, Mr. Lund, our investigator asked you whether you had received any money from the attorney, or from the Morton Frozen Foods Co.; what did you say at that time?

Mr. LUND. I told him at that time that I had not received any money from Morton's Frozen Foods, because I had not. Mr. Salinger is the one that saw me first, with reference to that.

Mr. KENNEDY. Did you tell him that you hadn't been paid any way directly or indirectly by the Morton Frozen Foods?

Mr. LUND. I didn't say indirectly. I said the committee had not paid me, nor had Morton's; that the committee had paid me only as a token gift, by the steak knives.

Mr. KENNEDY. Did you tell them anything about the money you received from the attorney of the Morton's Frozen Foods Co.?

Mr. LUND. No, sir.

Mr. KENNEDY. Did you think the attorney for the Morton's Frozen Foods Co. was paying this money out of his own personal pocket, and you didn't know that the money was coming from the company?

Mr. LUND. At the time, I didn't know specifically how it was paid.

Mr. KENNEDY. Mr. Lund, you knew he wasn't paying you out of his own money, and you knew the money was coming from the Morton Frozen Foods Co.

Mr. LUND. I assumed that; yes, sir.

Mr. KENNEDY. You were put in your position by a representative of the Morton Frozen Foods Co., and you met with them, and they gave you advice on the literature, and they gave you advice on the operation of this supposedly spontaneous employees' committee, and ultimately you received some \$450 and you say you didn't know that that was a violation of the Taft-Hartley Act?

Mr. LUND. Your statements, I don't believe, are entirely correct, and not as I understand them.

Mr. KENNEDY. Let me ask you, weren't you originally approached by the attorney of the Morton Frozen Foods Co.?

Mr. LUND. Yes, sir; and I made a reservation at that first meeting, sir.

Mr. KENNEDY. Didn't he tell you that you would be compensated by the Morton Frozen Foods Co.?

Mr. LUND. No, sir; he did not.

Mr. KENNEDY. Was there any discussion of fee at all?

Mr. LUND. There was, but that was not the discussion, Mr. Kennedy.

Mr. KENNEDY. Now, he has told us in the form of an affidavit that he told you right at the beginning that your compensation was coming from the Morton Frozen Foods Co.

Mr. LUND. I didn't understand it as such, that it was coming directly from them.

Mr. KENNEDY. Go ahead.

Mr. LUND. My understanding was this: When I first met with Mr. Karr, Mr. Karr told me at the first meeting, "I do not know if you will be paid a fee or not, and it depends upon how this works out." I told him that I would take on the job if I could have my reservation, as an attorney to represent the committee, as an attorney client without any direction from them. They did not give me advice, and they gave suggestions to me as to what they wanted done, but, on many occasions, that was not carried out.

Mr. KENNEDY. In the first place, Mr. Karr says, "I told Stewart Lund," and I will put this in later on, "he would be compensated for his services by the Morton Frozen Foods Co."

Mr. LUND. That was later; yes, sir.

Mr. KENNEDY. He said that, when he first talked to you, he said that you were going to be compensated. Did he tell you later you were going to be compensated by Morton's?

Mr. LUND. That was after I had made the reservation, definitely, and I was not to have two employers. I want this reservation in there, Mr. Kennedy, because that is exactly what happened. I was acquainted with the Taft-Hartley Act, and, now, I am not an expert on it. This is the only time that I have had an occasion to deal with it.

Mr. KENNEDY. Didn't you tell our investigator when he went back to you and we had then established the fact that you received this money through the Morton Frozen Foods Co.—didn't you tell him at that time that the reason you hadn't told him the truth originally was

because there was a lawyer-client confidential relationship between you and Mr. Karr?

Mr. LUND. There was a confidence between Mr. Karr and me as to the payments of money, yes, but the attorney-client relationship was with—this was after the payment of this, and the money was after the election was over with, and my attorney-client relationship was with the committee, and I maintained that strictly.

Senator KENNEDY. You say it is with the committee. You know, and we have heard a witness this morning, that was a two-man committee, wasn't it?

Mr. LUND. No, sir.

Senator KENNEDY. You are talking about what committee; the "we" committee? We heard a witness say this morning that it was a fake committee and, really, he and his partner were the only two real officers of the committee. Are you aware of that?

Mr. LUND. There were no officers; and yes, sir, I heard Mr. Long.

Senator KENNEDY. He said it was a fake committee, and it was in answer to Senator McNamara's question.

Mr. LUND. Then I have been certainly duped in that respect, because my first meeting with them—

Senator KENNEDY. How many were there?

Mr. LUND. There were 10 or 11 at the second meeting. The first meeting was with Mr. Hayes and Mr. Long, when they came to my office. I told them that if they wanted to get a committee together, I would be glad to talk with them and determine then if they wanted to do something about it. I recognized the difficulties under the Taft-Hartley Act, and I very carefully wanted to be sure that I, myself, was not doing something to the workers that was in violation of the act.

Senator KENNEDY. Now, let me ask you this: You talked about the fact that you didn't want to have two employers. The committee never did pay you, did they?

Mr. LUND. The committee?

Senator KENNEDY. The "we" committee.

Mr. LUND. They gave me rather an expensive set of Swedish steak knives.

Senator KENNEDY. They didn't compensate you, and Mr. Karr compensated you for the company?

Mr. LUND. Mr. Karr compensated me.

Senator KENNEDY. Why were you so concerned not to accept payment from Mr. Karr in the first meeting if he finally compensated you, and who did you think was going to compensate you?

Mr. LUND. I absolutely wasn't certain, Senator.

Senator KENNEDY. You said that would depend on how things worked out. What did you mean by that? Whether there would be a union there or not?

Mr. LUND. No; I reserved the right to talk to this committee and to determine if I wanted to work with them on the basis of gathering information for them, and presenting it to them and seeing what the committee wanted to do. I reserved my attorney-client relationship for this committee. I was not sure that a committee would want to work with me under the terms I wanted to work, and I was not sure there would be a committee. That was the first meeting that I had.

Senator KENNEDY. Then did you send them a bill?

Mr. LUND. No, sir; I didn't.

Senator KENNEDY. Whom did you send the bill to?

Mr. LUND. I did not send a bill to anybody.

Senator KENNEDY. Mr. Karr offered you the \$400?

Mr. LUND. He came down and told me he could pay me.

Senator KENNEDY. What you are saying to us, just so that we will get it straight, is that Mr. Karr approached you, and you stated you first wanted to talk to this committee, to decide whether you would take the assignment, and the reason you did that was because of your ethical sense that you didn't want to have two employers.

Then, when the committee came down—and the head of the committee himself said this morning under oath it was a fake, and it had no real membership, and so on—when that committee came down they never did compensate you, and you were compensated by Mr. Karr, and so, in fact, you were representing one group and you were compensated by the management. You were supposed to be representing the workers. How do you justify that, ethically?

Mr. LUND. I don't agree with Mr. Long at all that this was a fake committee, because these meetings—

Senator KENNEDY. Even aside from whether that is a fake committee or not, that doesn't seem to me to be significant. Why didn't they compensate you, if you were working for them, and why did Mr. Karr compensate you?

Mr. LUND. They were going to compensate me by taking up a collection among the committee, and I am sure, if Mr. Long were called back, that he will verify some of these statements that I am making. There were many, many meetings in my office, early in the morning and late in the afternoon, because I was not assured originally that I would be compensated for my time. Meetings took place before 8 o'clock in the morning and after 4 o'clock in the afternoon, and I met with them very often in that manner, and there were times when there were 2 meetings, or maybe 3. I have held meetings in the morning, afternoon, and in the evening.

Senator KENNEDY. Did you ever discuss with them the question of the compensation?

Mr. LUND. No; except that I was to be paid, and it would have to come from them, and that is what it was.

Senator KENNEDY. This isn't what happened.

Mr. LUND. That isn't actually what happened.

Senator KENNEDY. Mr. Karr, the man who originally contacted you, presumably you say, on their behalf, he was the one who ultimately paid you.

Mr. LUND. Yes, sir; after the election was over; that is correct.

I didn't even keep an account sheet on it, an actual account sheet on it.

Senator KENNEDY. I can't believe that you are as casual about your personal affairs as you would suggest, that Mr. Karr could come to see you, and you would then take on this assignment and work on it for employees, and never get paid by them, and then get paid by the employers who were using all of their energy to keep the union out of the plant.

Mr. LUND. Well, the company wasn't the only one that was concerned. This is a small town, Senator, and it is a very small town.

Senator KENNEDY. Did anybody in the small town pay you?

Mr. LUND. We were very much interested in Morton's, the town was, many of us were that were on an industrial go-ahead committee.

Senator KENNEDY. Did the industrial go-ahead committee talk to you about this?

Mr. LUND. I talked to some of them; yes, sir.

Senator KENNEDY. What would you talk to them about?

Mr. LUND. I don't recall specifically.

Senator KENNEDY. Now wait a minute.

Mr. LUND. I don't remember the details.

Senator KENNEDY. Did they suggest to you it would be wise to keep the union out?

Mr. LUND. There were some meetings, and not meetings, but over coffee, where some of them were concerned about unions coming into Webster City.

Senator KENNEDY. You did this as a public service as much as for compensation?

Mr. LUND. That is correct.

Senator KENNEDY. To keep the union out of the town?

Mr. LUND. No; that isn't true.

Senator KENNEDY. What is it?

Mr. LUND. I don't believe in keeping the union out.

Senator KENNEDY. What is it you do as a public service?

Mr. LUND. I did it as a public service, so that the workers also would have their opportunity of having a say.

You see, before I got into this, this had been going on.

Senator KENNEDY. You thought it was the business of the employers, and you thought it was his business, of Mr. Karr representing the company, and you thought it was proper for him under the Taft-Hartley Act to take a hand to say which union should come in?

Mr. LUND. Well, I don't know if Mr. Karr knew anything about that, and I didn't discuss that with him, as to what union would come in, or if any union, and I didn't discuss that with him, and so I don't know what his ideas were on that.

Senator KENNEDY. You took this on as a public service? Did you act for any employees in preventing the bakery union from coming in? Did any of the townspeople that you talked to, or this committee, this group that you worked for as a public service, did they ever speak to you against the bakery workers? Did you ever talk to them over coffee?

Mr. LUND. Yes, sir.

Senator KENNEDY. What did they say about that?

Mr. LUND. We were very much surprised at what happened.

Senator KENNEDY. You were?

Mr. LUND. Yes, sir; very much surprised.

Senator KENNEDY. What was the cause of your surprise?

Mr. LUND. Well, that there was no election; the committee that I had were very much disturbed about the union.

Senator KENNEDY. What action did you take? Did you talk to Mr. Karr?

Mr. LUND. No, sir; I did not talk to Mr. Karr. Mr. Hayes called me.

Senator KENNEDY. That is the group you were representing?

Mr. LUND. Yes, sir.

Senator KENNEDY. He was disturbed about it, and what did you do?

Mr. LUND. He asked me is there was something that could be done about it, and I said if the committee wants to get back together again, I would be glad to help them.

Senator KENNEDY. They did not go back together?

Mr. LUND. No one contacted me after that; no, sir.

Senator KENNEDY. What about the group of people that you talked to over coffee? Did they ever talk to you about it?

Mr. LUND. No, sir; and other than just over coffee, they mentioned the fact that apparently the bakers union were coming in. I did talk to one of my clients who was on this committee—that was Mr. Pilcher who was on this original committee, and I believe he is what they call a baker; he combines dough—and I asked him about it.

He said that the bakers union seemed logical to him. Outside of that, that is about the only other contact that I had.

Senator KENNEDY. You are familiar now, as an attorney and as someone who has read the Taft-Hartley Act, with all of the action the employers took to keep the original union out of Morton's, and you were informed about all of that, those actions?

Mr. LUND. No, sir. The testimony of Mr. Binns has been very much of a shock to me here.

Senator KENNEDY. It comes as a surprise?

Mr. LUND. It most certainly does, because I had no part in that and I understood no part of that at all.

Senator KENNEDY. You regret your association with this project, which now for the first time appears to you as an employer effort to prevent a union from coming into a company.

Mr. LUND. Yes; I can honestly say that now, when I see some of the background that is back of it, because I certainly did not know until I heard some of this testimony, and I was very much surprised if that background is true.

Senator KENNEDY. It is difficult for me to believe—and I will be honest with you—that you were as naive as you have stated that you were today about the whole project. Here you are hired by Mr. Karr, the attorney for the employer, to deal with a group of employees, the leading member of which admitted it was a fake organization, and you were later compensated by Mr. Karr, who is compensated by Mortons, and the company itself was flagrantly guilty of unfair labor practices as defined by the Taft-Hartley Act, and I think that your part as an attorney and Mr. Karr's is subject to some criticism.

Mr. LUND. Senator, can I reply to you, Senator? I am sorry that my attitude seems to be naive to you, because I spent a great deal of time on this and many meetings, and there were meetings of evenings as high as 25 people in my office.

We called a public meeting for them, inviting everybody, and of the workers there was almost a hundred at that meeting, at which the workers themselves conducted a good deal of the meetings, and I sat back and advised them, and I advised them under the Taft-Hartley Act. They did not know that that is what it was from, but I advised them with reference to pamphlets and information that they would be bound just as strictly as the union would, or as management would, in giving out pamphlets and so forth.

In fact, all of these pamphlets were compiled in my office. Mrs. Lund ran the ditto machine, and a good share of that was all handled by the committee itself. It was put out on the table deleted and, in fact, a good deal of it—I had a tough time keeping them from making it tougher than it was.

Senator KENNEDY. The only point I would say in answer is that would be a very logical account of what happened, if that committee had paid you or if you had discussed with the committee compensation. But what I think throws that completely out the window is the fact that Mr. Karr, representing the employers, paid you, and that Mr. Shefferman's representatives were present at some of the meetings.

Mr. LUND. I did not know, and I did not even recognize the name of Shefferman at all until the committee started investigating it, and Mr. Karr advised me that Mr. Nevitt was an employee of Mr. Shefferman, and that is the first time I ever knew anything about Shefferman.

I am not certain if he was ever present at any of the meetings where I was, but I do know that when there were requests made or suggestions made by Mr. Nevitt and Mr. Karr with reference to some of this literature that it was very carefully taken.

In fact, if I might give an example, Senator, of one that was absolutely refused to be given, there was a good deal of conversation among the employees along in July, I believe it was, and it was very shortly after the union had put out a pamphlet on July 25 with reference—they didn't put it in the pamphlet—a discussion through the plant was that Mortons were going to bring in a large number of colored people.

They wanted some statement made by "We, the Morton Workers," with reference to that, and we refused. I told them I would suggest to the committee that they could consider it, but I certainly would advise them not to, and that was one example.

There were other examples, but not of that prominence. I know that one struck me real clear. We had, particularly, no colored families in Webster City, and we had no particular problems of that kind.

I maintained my position that we would lay these out on the table and discuss them and mark them up and work them up, and that is the way those were compiled. It is true there were a good many of the ideas that did come back from Mr. Karr's office, and I had not been dealing in this kind of work before, but I had been doing a great deal of organizing of committees and public-service committees.

Senator CURTIS. How large a place is Webster City?

Mr. LUND. Between eight and nine thousand.

Senator CURTIS. You had a local committee to attract industry there?

Mr. LUND. Yes, sir; we have, sir; and we have a bigger one now than we had in 1955.

Senator CURTIS. Were the people generally back of that idea?

Mr. LUND. Oh, yes; very definitely, sir. We have bought land outside of town, and we are now in the process of extending the city services outside and utilities outside the city to attract industry.

Senator CURTIS. Were working people interested in bringing more industry there, too?

Mr. LUND. Yes, sir; and, in fact, many of us have \$100 certificates that we have used to buy this land.

Senator CURTIS. I mean potential workers, laboring people. Were they interested in the success of it?

Mr. LUND. I don't know who they would be. I hope so, but I don't know of any specifically, Senator.

Senator CURTIS. Now, as to the public's interest in this union controversy, would that actually be described as antiunion or more their eagerness in getting this new plant started and not rocking the boat?

Mr. LUND. It was certainly more an idea of getting the plant started. It was not a question of antiunion. We have 1 union in town that has been there some 12 or 14 years, I believe. It was not antiunion and it was a question that Mortons had only been there a few months and most of the tenor of my committee, a great deal of the tenor of my committee, from my notes, was to the effect of giving the plant an opportunity first to see what it could do and they could come back within a year.

The committee also wanted to know about forming their own union. Also, they were interested primarily in Mr. Peterson's activities because from my investigation and in my opinion, he pulled a boo-boo at Easterville and the committee was very much concerned about him representing them.

Senator CURTIS. These bulletins signed, "We, the workers," or whatever it was, did they purport to represent everybody working there, or was it understood it was a committee?

Mr. LUND. No, it was understood it was a committee. But those bulletins were usually put out when there was anywhere from 5, 10, or maybe as high as 15 who would be present with reference to these bulletins. I don't recall how many we put out, I think there were 5 or 6, but those were not done just on the spur of the moment. There were 2 or 3 days between and usually they came out after the union had come out with some sort of a sheet and very often it was in answer to the pamphlets that the union had put out.

Senator CURTIS. Now, as to these employees that came to your office or came to meetings, did they appear to be speaking for themselves, or did their actions and their words and their demeanor indicate that they were there to speak a piece for management?

Mr. LUND. No, sir; they were there to speak for themselves. My tenor with them, actually, whether the committee wants to believe it or not, was the basis of allowing all of them to get a fair election.

We had heard a great deal and we were disturbed, and we had trouble at Easterville and we had a great deal of trouble at Newton, and it was at the time when Perfect Circle was having their difficulty and it was the time when Kohler in Wisconsin was having headlines and the workers were very much concerned about that.

Our papers carried information and so did the Des Moines Register carry information on that.

Senator CURTIS. At this meeting where about 100 people showed up, were there some people who showed up in favor of the packinghouse workers?

Mr. LUND. Yes, sir.

Senator CURTIS. Were they permitted to speak their piece?

Mr. LUND. Yes, sir; everybody was invited to speak. If they didn't it was because they held back. I more or less helped to conduct that particular meeting and it was held in the upstairs of the city hall.

We called them and told them that it was for the purpose of trying to get information. If they had anything they wanted to give, or wanted to ask anything, there was the time where it could be threshed out and everybody was invited in.

I know the union was specifically invited. I didn't do that personally, but I was assured that everybody was invited.

Senator CURTIS. Now, it is true this committee was not a union and it was not organized as such, but would you classify it as a fake committee?

Mr. LUND. No, sir, very definitely I would not. I am sure if Mr. Long would be called back to the stand, he will verify the statement I have made with reference to these large meetings and the number of meetings because he was present in substantially all of them.

Senator CURTIS. Now, in your opinion, were the statements carried in the bulletin true?

Mr. LUND. I felt a good deal of them were true; yes; and I tried to verify every single one of them myself, personally. I relied somewhat on the committee about the activities inside of the plant because I had no information on that and I never went into the plant.

Senator CURTIS. Did you feel that some of the statements were not true?

Mr. LUND. I felt some of them were very strong, sir, but the committee wanted it that way.

Senator CURTIS. They were statements of fact, or what might be termed argument?

Mr. LUND. Arguments, sir. The fact of it is, I don't even have a complete set of those pamphlets and I thought I did have.

Senator CURTIS. Do you have a complete set of the pamphlets the union put out?

Mr. LUND. I have some of them and I don't believe I have a complete set, no, but I have some of them and I will be glad to turn them over to the committee. Mr. Salinger saw my complete file and I handed it to him and if there is anything in my file they can have my entire file if they wish to have it.

Senator CURTIS. That is all.

Senator McNAMARA. I would like to ask who called this public meeting in the city hall that you referred to, at which about 100 people were present?

Mr. LUND. The committee did. I believe that occurred one evening and I think it was about the actual only evening meeting that we had, after supper, and it was their conclusion that we should have a public meeting.

I think that the union also was having one and it was just shortly a few days before the election, but the committee decided on it and I believe if you have all of the bulletins—and I don't believe I have all of them; I may have one and I am not sure—but I believe it was one where bulletins were handed to all of the workers and they were invited to this public meeting, anybody who wanted to come.

Senator McNAMARA. Who called the public meeting?

Mr. LUND. I did through these pamphlets.

Senator McNAMARA. You called it?

Mr. LUND. Yes, sir, I called the newspapers and stated that there would be a public meeting.

Senator McNAMARA. Then who were you acting for at that time?

Mr. LUND. I was acting for the committee.

Senator McNAMARA. What committee?

Mr. LUND. "We, the Morton Workers." That was the committee that was meeting in my office.

Senator McNAMARA. Do you believe there was such a committee?

Mr. LUND. Yes, sir.

Senator McNAMARA. Did you ever hear of a committee that did not have any chairman or officers of any sort?

Mr. LUND. Certainly. We do lots of that in our public work, Senator. You do not have to name officers to get a committee to work. I will say this, that I conducted a good deal of the conversation and to answer the questions, and all of them took part in the discussions.

Senator McNAMARA. You do know of committees that do not have chairmen or do not have anybody to represent them and just everybody is on the same basis?

Mr. LUND. Not everybody.

Senator McNAMARA. You do know of such committees?

Mr. LUND. We do. We function and we do a lot of that in small communities.

Senator McNAMARA. For what purpose?

Mr. LUND. For public functions.

Senator McNAMARA. Then you ordinarily have a chairman of such a committee, if it is a committee to raise funds for charitable purposes. You first of all have a small group and then get together and elect a chairman, generally.

Mr. LUND. That is right. That was usual so far as that was concerned. Mr. Long and Mr. Hayes when they would come to my office, very often as soon as the union would put out a pamphlet, they would come up to my office with it, and we would discuss it and say, "Well, get your committee together." And what they would do is tell a few of them in the plant and that usually was supposed to be one from each department.

Senator McNAMARA. But you now know that Mr. Long was acting for the management, do you not?

Mr. LUND. Yes, sir.

Senator McNAMARA. You did not know at that time?

Mr. LUND. I suspicioned that the management had told him to come to my office, but I told them of my reservation, that it would be for the purposes of getting the facts before the committee if they wanted such a committee.

Senator McNAMARA. And you did know at the time he was acting for the management?

Mr. LUND. They did not tell me who it was. Mr. Karr said that there would probably be a couple of them call on me that were interested in getting this type of committee working and just how far—I did not know until today, what I have heard here, just the extent of that relationship.

I was pretty much taken back at the depth of it.

Senator McNAMARA. You heard Mr. Long testify that the committee consisted of him and one other man, did you not?

Mr. LUND. Well, then I am very much fooled as to the number of people that were in my office on many occasions. I am sure if you

will call Mr. Long back he will verify these statements if you question that.

Senator McNAMARA. The record shows that he said that there were just two, he and this other gentleman here.

Mr. LUND. I do not know what his definition of a committee is, but my definition of a committee is the group that more or less showed up each time and that was at least eight of them that always showed up.

Senator McNAMARA. And you have the list?

Mr. LUND. Yes, sir.

Senator McNAMARA. But the committee had no list, or Mr. Long and his associates had no list.

Mr. LUND. Yes; they are the ones.

Senator McNAMARA. They said they had no list and there was no list. That was his testimony and it is already in the record.

Mr. LUND. He probably meant a typewritten list. It was the names that were written down and they were written down at the time of the meetings as to who was there.

Senator McNAMARA. I did not ask him about a typewritten list. I asked him about a list.

Mr. LUND. I don't know what his definition was, but there was a group and I think we are toying with the word "list."

Senator McNAMARA. You were accepting this as a legitimate committee, representing the employees of the plant and it now develops they were representing management and not the employees. Is that about the way you are testifying at this point?

Mr. LUND. I don't believe I would say that they represented all of the employees. I felt that they were a group who were seeking information and I helped them to get information.

Senator McNAMARA. In opposition to the union.

Mr. LUND. Yes, it was in opposition to this particular union because the major tenor of these committee meetings was, "Well, they have only been here a few months. They have done certain things. There were certain improvements they had made and this was a new industry to Webster City and they had increased the employment some 100 more than what Fairmonts had had."

And they said, "Well, they are doing better things for us." I just recall there were locker room showers and a cafeteria, funds out of the coke machine that were turned over to the employees, and such items as that, which the old Fairmont workers had not been used to.

The general tenor was not the question of union, but the question of if they were going to have a union, which union was it. They were concerned about Mr. Peterson's activities at Easterville, because there was a very sad situation there which Mr. Peterson was the head of.

The committee also talked about if they had a right—they were told by somebody, and I don't know by whom, and they came to my office with the idea that they did not have a right to make up their own union, of their own locally, and they had to belong to some national organization and they did not have a right to make their own.

Also, there was the question of whether this is the proper union that they wanted.

Senator McNAMARA. This plant was in Webster City and the plant had been in existence for sometime before the Morton Co. took it over.

Mr. LUND. Well, the refrigeration system and setup was there by Fairmont, but they were dealing in a different type of product. This was a new, complete layout that they were building, what they called pie lines and packaging lines which the other company did not have.

Fairmonts were processing eggs, large packaged turkeys and such things as that, whereas when Morton came in, they gradually did away with that type of business over a period of months and went into the packaging of small frozen pies and TV dinners and such as that.

Senator McNAMARA. Did your public committee enter into the bringing of Morton to Webster City?

Mr. LUND. I don't know what direct activities they had with it, no, because I was not active on that particular committee.

Senator McNAMARA. You had a civic committee of some sort for the purpose of trying to induce industry into the area and you do not think that that committee was responsible for Morton coming in?

Mr. LUND. I think it had something to do with it, because at the time, Ben Iverson, who was manager of Fairmonts, was very active in that committee, and he was still manager for some short time after Mortons came in.

I sort of felt at least that that committee had a lot to do with encouraging them to come to Webster City.

Senator McNAMARA. That is all.

Mr. KENNEDY. Now, I have a couple of things I think that we should clear up. You said that you met with John Nevitt.

Mr. LUND. I did not meet with him. I was called to Mr. Karr's office and he was present, and I don't know the number of occasions.

Mr. KENNEDY. That was 4 or 5 occasions?

Mr. LUND. It could be that many.

Mr. KENNEDY. And Mr. Nevitt made the suggestions to you regarding literature, did he not?

Mr. LUND. That is true and not only that, but Mr. Karr very often sat there and typed out some of this and would hand me a copy of it.

Mr. KENNEDY. When our investigators first went in to visit you, could you tell the committee why you denied knowing Mr. Nevitt?

Mr. LUND. I did not recall what his name was, to be frank about it. He did not make that much of an impression on me. At the first meeting most of my conversations were with Mr. Karr and these meetings were very short, 4 or 5 of these meetings, and they were very short.

Mr. KENNEDY. You just did not remember Mr. Nevitt's name, is that your answer, as to why you denied knowing Mr. Nevitt?

Mr. LUND. I did not recognize his name when they asked me. When Mr. Salinger came and asked me, I tried to call Mr. Karr and I believe while Mr. Salinger was in my office because the name "Nevitt" after 2 years did not leave an impression on me.

Now, that I see him and they called my attention to it, I know who they were talking about. What they were trying to do was to get me to recall Mr. Shefferman, and that is where most of the conversation came from with Mr. Salinger. It was about knowing Mr. Shefferman.

Looking at pictures, I still don't believe that I ever was present when Mr. Shefferman was present.

MR. KENNEDY. I am talking about Nevitt, and then you furnished an affidavit to the committee in which you state here:

There was one general meeting that I helped to conduct and that was held at city hall and there was a meeting held at the same time that the union held a meeting at the Legion Hall. It was more or less of my doing and it would be to see who would draw the most to the meeting.

I believe that I have met a John Nevitt, although I am not certain, but as I recall when Mrs. Lund and myself ate at noon here in Webster City at the hotel where we often did, while she was working in the office, that Mr. Karr introduced me to this gentleman and I did not know who he was, or what his connection was.

I assumed he was with Mortons, however, and this was just a general greeting and conversation and nothing to do with the union, Mortons, or me.

That was not accurate at all. You are an attorney and I would like to point out that when we talked to you the first time you denied that you had received any compensation from Morton's Frozen Foods and you denied that you knew John Nevitt.

When we pressed the matter further, and went out and found out the true facts, you started to agree that you had met Nevitt. You furnished an affidavit which was completely misleading and according to the information that we have from Mr. Karr, the other attorney, he stated that he had told you right from the beginning originally that you were going to receive your compensation from the Morton Frozen Food Co.

The facts are that you did receive it and you met with John Nevitt and that you met with the people from management and they were giving you ideas and suggestions on how this committee was going to be conducted.

If you do not understand that that is in violation of the law of the United States, it is just incredible to me. Particularly it is incredible that you should be lying to a representative from this committee.

MR. LUND. Your representative was not very forward and exact in his approach to me. I hate to say anything about this but you must remember—

MR. KENNEDY. He asked you some questions to which you did not tell the truth, that is No. 1, and you furnished an affidavit which is completely misleading as far as your relationship with Mr. Nevitt, and your activities in this whole matter are highly questionable as an attorney, or as a citizen of this country, highly questionable.

MR. LUND. I can't agree with you at all, Mr. Kennedy. That is not the true situation.

THE CHAIRMAN. All right.

MR. KENNEDY. We have some affidavits from Mr. Karr.

MR. LUND. Mr. Kennedy, can I return to Iowa now?

THE CHAIRMAN. Yes, sir.

Before the Chair receives these affidavits, the Chair has received a letter from a Mr. George D. Ager, or rather it is in the form of a statement which he asked to be placed in the record of the hearings.

The statement is not sworn to and it is not in affidavit form, and the Chair feels that the statement in its present form should not be admitted to the record. I think that this statement which has been passed out to the press—and that is the reason I am making this observation at this time.

If Mr. Ager wants to make this in the form of an affidavit and send it to the committee, then we will consider it. It might be very well for him to decide to come and testify.

Mr. DAWSON. It is most important, I think, to the committee and to the people who are here and to the public in particular and to my client.

He was president of the Morton Baking Co. and he heads Morton Frozen Foods division of the Continental Baking Co. and I represent him. I represent his company. You subpoenaed Mr. Faunce here to testify and he will testify and now it is highly important in connection with his testimony that his statement be read, and to make that statement coincide and to clear it up.

The two statements must be read together and when Mr. Faunce testifies, or when you call him to the witness stand, I am going to renew my request that we be permitted to read Mr. Ager's statement.

The CHAIRMAN. Mr. Dawson, the Chair is not objecting to your getting this in the record, but we are trying to get all of this record under sworn testimony. Now, when we get affidavits, sometimes instead of putting the Government to the cost of bringing all of the witnesses, we use some affidavits.

If Mr. Ager wishes to submit this in affidavit form, that is all right. We have no objection to putting it in the record. It is just the fact that if we ever start the practice of letting people put in unsworn statements we will have a record unsworn to when we get through.

I want to keep this record under oath.

Mr. DAWSON. I will submit it as an affidavit.

The CHAIRMAN. You can handle that any way you want it. But if we get it in affidavit form, it will be considered the same as the others.

Mr. DAWSON. All right.

The CHAIRMAN. The Chair will now read two affidavits from Mr. Lloyd Karr. [Reading:]

I, Lloyd Karr, being first duly sworn on oath depose and swears as follows: That I am retained as the local attorney for the Morton Frozen Foods division of the Continental Baking Corp. and have been so retained since the Morton Frozen Foods Co. came to Webster City, Iowa, in 1955. In approximately June 1955, the United Packinghouse Workers of America commenced an organization drive at the Morton Frozen Foods Co. A hearing was held by the National Labor Relations Board, at which time the company contested the right of the union to organize at that time. Mr. Mervin Bachman, an attorney from Chicago, and I represented the company during this hearing. Approximately 6 weeks prior to the election held in November 1955, to determine the United Packinghouse Workers would represent the company, I was approached and asked whether I knew a local attorney who would be interested in representing the employees of the company who did not want the union. I was told that there were several employees at the company who did not want any union at the company, but did not know any effective way to combat the union. I cannot recall who it was who approached me in this regard.

In response to this, I contacted Stewart Lund, a local attorney, and asked him if he would represent these employees.

At that point, we had a subsequent affidavit from Mr. Karr that clears up that point, so I will read this latter affidavit in the record at this point, and later straighten it out in the record. I want to get the connection. [Reading:]

I, Lloyd Karr, being first duly sworn, on oath depose and say that on or about the 28th day of June 1957, I made an affidavit for representatives of the

McClellan Senate Investigating Committee with relation to certain activities connected with United Packinghouse Workers of America to organize the employees of Morton Frozen Foods, a division of Continental Baking Corp.

At that time when this affidavit was made, my ledger records of the services performed by me for the Morton Frozen Foods Co. had been transferred and were not available.

On this date, I talked with Mr. Salinger by telephone relative to this matter and have before me at the time of making this affidavit my ledger sheets. According to this ledger sheet, the first time that I contacted Stewart H. M. Lund in regard to representing some of the employees of the company who did not want a union, was on October 28, 1955. On the same date, my ledger sheet shows a conference with Mr. Jack Nevett, and Mr. Keith Binns. While I cannot remember which one of these two gentlemen requested that I contact a local attorney relative to this matter, I am certain that it was one or the other of the two and probably Mr. Nevett.

That affidavit was sworn to on the 28th day of June 1957.

Now I will continue to read the other affidavit. [Reading:]

He agreed to talk to them, and would subsequently represent them as an employees committee engaged in combating the union.

I told Stewart Lund that he would be compensated for his service by the Morton Frozen Foods Co. The amount of this compensation was approximately \$400. I billed the Morton Frozen Foods Co. for this amount and they paid me as a part of my regular retainer fee. I in turn paid this money to Stewart Lund.

Stewart Lund did state, as a condition of accepting the representation of the employees committee, that he was representing the employees and not the company.

My first contact with Nathan Shefferman was approximately 4 days prior to the election, when he came to my office with Keith Binns and William Kitchin, officials of the Morton Frozen Foods Co., to prepare a speech for Mr. Kitchin and a letter from Mr. Kitchin to all employees of the company.

We all contributed in the compilation of the speech and the letter. It was my understanding that Mr. Shefferman and his organization were hired by the Morton Frozen Foods Co. to combat the union.

John Nevitt, an employee of Mr. Shefferman's was assigned to the company during the period preceding the election. He occasionally checked with me regarding the character and family background of some of the employees. Inasmuch as I have lived in Webster City all of my life, I was able to furnish him this information. He was interested in the family relations, criminal records, and whether the employees had been discharged for dishonesty. He did not question me concerning the union sympathies of the employees or their families. Louis Jackson, an employee of Shefferman's came to Webster City the day prior to the election and stayed until the day after the election. He served as a legal counsel to the company during the election. After the election, William Kitchin and I discussed whether there was any way of avoiding another election because of the disruption it had caused at the plant. We discussed whether it would be possible to check on the union sympathies of applicants for employment following this for a period of 2 or 3 weeks. I was furnished the names of applicants and did provide the company information concerning the applicant's background, character, and union sympathies. Most of this information was from my own knowledge, and I sometimes contacted acquaintances to obtain this information. I had nothing to do with the contract between the bakery and confectionery workers union and the Morton Frozen Foods Co. I was not consulted concerning this contract in any way, and have not been consulted concerning this union.

That is sworn to on the 28th day of June 1957.

Proceed, Mr. Counsel, with your next witness.

Mr. KENNEDY. Mrs. Iris Jensen.

The CHAIRMAN. Come forward, please.

Will you be sworn? You do solemnly swear the evidence you shall give before this Senate select committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mrs. JENSEN. I do.

TESTIMONY OF IRIS JENSEN

The CHAIRMAN. State your name, your place of residence, and your occupation.

Mrs. JENSEN. My name is Iris Jensen. I am the secretary-treasurer of Local 449, of the Bakery and Confectionery Workers Union, Webster City, Iowa.

The CHAIRMAN. Mrs. Jensen, have you conferred with members of the staff of the committee, and do you know generally the line of interrogation to expect?

Mrs. JENSEN. Yes.

The CHAIRMAN. You have told them what you know?

Mrs. JENSEN. Yes.

(At this point Senator Erwin entered the hearing room.)

The CHAIRMAN. You have a right to have counsel present. Do you waive the right of an attorney?

Mrs. JENSEN. Yes.

The CHAIRMAN. Thank you very much.

Proceed, Mr. Kennedy.

Mr. KENNEDY. Mrs. Jensen, you have been working for how long in the Morton Frozen Foods Co.?

Mrs. JENSEN. Approximately 2½ years.

Mr. KENNEDY. When did you take over your position as the financial secretary of the bakers union?

Mrs. JENSEN. December of last year.

Mr. KENNEDY. December of 1957?

Mrs. JENSEN. 1956.

Mr. KENNEDY. Had you been in favor of the packinghouse workers union when they were attempting to organize Morton Frozen Foods?

Mrs. JENSEN. Yes, I was.

Mr. KENNEDY. You felt that you wanted a union in there?

Mr. JENSEN. Yes; I thought there was a definite need for a union in there.

Mr. KENNEDY. Did you work for the packinghouse workers?

Mrs. JENSEN. No. I wasn't employed by them. I worked in the plant during their organization of the plant.

Mr. KENNEDY. Were you aware of the fact that some of the employees who were working for the union were being moved to less desirable jobs or released from their employment?

Mrs. JENSEN. Yes; I knew that.

Mr. KENNEDY. The company was very anxious to keep them out; is that right?

Mrs. JENSEN. Yes; that is right.

Mr. KENNEDY. Why were you interested in having them in there?

Mrs. JENSEN. Why was I interested in having the packinghouse workers in there?

Mr. KENNEDY. Yes.

Mrs. JENSEN. Well, I didn't feel that the company was doing right to some of the employees. The working conditions weren't too good.

Mr. KENNEDY. The working conditions were not too good?

Mrs. JENSEN. No; not in my opinion.

Mr. KENNEDY. And you felt that the union could improve that, did you?

Mrs. JENSEN. I thought they could.

Mr. KENNEDY. And you were aware of the fact that some of the employees at least, who were working for some of those employers, action was taken by the company against them; is that right?

Mrs. JENSEN. Yes.

Mr. KENNEDY. That election was lost, was it not, the election for the packinghouse union?

Mrs. JENSEN. Yes; it was lost.

Mr. KENNEDY. Subsequently, did the bakery workers union send representatives to the Morton Frozen Food Co.?

Mrs. JENSEN. Yes; they did.

Mr. KENNEDY. Did you do some work for them?

Mrs. JENSEN. Yes; I helped.

Mr. KENNEDY. Did you meet with Mr. Merle Smith?

Mrs. JENSEN. Yes; I did.

Mr. KENNEDY. He was the representative of the bakery workers union in that area?

Mrs. JENSEN. Yes; he was.

Mr. KENNEDY. Did you meet the same opposition to the union that existed when the packinghouse workers were attempting to organize?

Mrs. JENSEN. Definitely not.

Mr. KENNEDY. Do you have any examples to give in connection with that?

Mrs. JENSEN. Well, they didn't set up any committees to work against the union, or anything like that.

Mr. KENNEDY. Did they allow you to work for the union? Did they encourage that?

Mrs. JENSEN. They didn't encourage it; no. I was signing up people for the union, but I wasn't letting the company know about it.

Mr. KENNEDY. Did you meet with a man by the name of Bromley at that time?

Mrs. JENSEN. Yes; I did.

Mr. KENNEDY. Who was he?

Mrs. JENSEN. He came to the plant and contacted me about getting some signatures on authorization cards.

Mr. KENNEDY. Whom did he say he was working for?

Mrs. JENSEN. Well, I asked was he with the company or the union, and he told me that he was a public-relations man for Continental.

Mr. KENNEDY. So that the company, at least through Bromley, was actively urging you to go out and sign up employees for the bakery workers union. Is that right?

Mrs. JENSEN. That is right.

Mr. KENNEDY. And you did go out and sign up employees?

Mrs. JENSEN. Yes; I did.

Mr. KENNEDY. Was there ever any election amongst the employees as to whether they wanted the bakery union in there?

Mrs. JENSEN. No; there wasn't an election held.

Mr. KENNEDY. Did you set up a negotiating committee to negotiate with the company as to wages, hours, and conditions?

Mrs. JENSEN. No; there was no negotiating committee that I know of.

Mr. KENNEDY. Was there a contract signed? Can you tell us about that; what happened?

Mrs. JENSEN. Yes; there was a contract signed.

Mr. KENNEDY. Were you told that there was going to be a negotiating committee?

Mrs. JENSEN. Yes. I understood that there would be.

Mr. KENNEDY. What happened that there was no negotiating committee?

Mrs. JENSEN. Well, I asked Mr. Smith and, I believe, Mr. Spurling, both, what happened, and they seemed to be as much in the dark as I was. They didn't know what had happened.

Mr. KENNEDY. Had the contract been signed by then?

Mrs. JENSEN. This was after the contract was signed; yes.

Mr. KENNEDY. Tell us how you found out that the contract had already been signed.

Mrs. JENSEN. Mr. Smith told me that he had this contract signed and delivered to him.

Mr. KENNEDY. Had he participated in the negotiation of the contract?

Mrs. JENSEN. Not that I know of.

Mr. KENNEDY. He just said that the contract had been signed and delivered to him?

Mrs. JENSEN. Yes.

Mr. KENNEDY. Was he pleased with the terms of the contract?

Mrs. JENSEN. No; he was not.

Mr. KENNEDY. Were you?

Mrs. JENSEN. No; I wasn't.

Mr. KENNEDY. What did you feel about the contract?

Mrs. JENSEN. Well, I was very disappointed and let down, and I felt that I had let a lot of the other people down, too.

Mr. KENNEDY. Do you mean that you had worked so hard?

Mrs. JENSEN. Yes. I had worked very hard getting the people interested in it.

Mr. KENNEDY. What was your feeling about the contract? Would you express yourself on that?

Mrs. JENSEN. Well, I hadn't had too much experience, but, after I read the contract, I couldn't see that we had gained too much by it, by having this contract.

Mr. KENNEDY. Did you meet George Stuart up there at this time?

Mrs. JENSEN. Yes; I met Mr. Stuart.

Mr. KENNEDY. He was representing the bakers union?

Mrs. JENSEN. Yes.

Mr. KENNEDY. Did anyone tell you what Mr. Bromley's connection was, and what he had been doing up there?

Mrs. JENSEN. Not until after the whole thing was over; about the time that all of the investigations started I found out about Shefferman. I had no knowledge of him before that.

Mr. KENNEDY. Who told you about it?

Mrs. JENSEN. I think Mr. Spurling.

Mr. KENNEDY. Who is Mr. Spurling?

Mrs. JENSEN. He is with the teamsters union.

Mr. KENNEDY. And he told you about Nathan Shefferman?

Mrs. JENSEN. Yes; he told me.

Mr. KENNEDY. What did he tell you about Nathan Shefferman?

Mrs. JENSEN. That they were an organization working out of Chicago, and that they were hired by business to either bring unions in or push them out, I guess.

Mr. KENNEDY. That they were known for their union-busting activities?

Mrs. JENSEN. Yes. That is what he told me. He said they were union busters.

Mr. KENNEDY. Was it a difficult situation in the plant at first?

Mrs. JENSEN. Yes; it was very difficult. It was very hard to face those people with that contract.

Mr. KENNEDY. Did you go in ultimately with the contract?

Mrs. JENSEN. It was read to the membership at a meeting held in Webster City. There was a good turnout at the meeting. People were expecting something better than they got.

Mr. KENNEDY. Were the people unhappy?

Mrs. JENSEN. They were let down, I guess, but they didn't say too much at first. They were kind of scared.

Mr. KENNEDY. They were scared?

Mrs. JENSEN. Yes.

Mr. KENNEDY. Why were they scared?

Mrs. JENSEN. Well, people that had worked in the plant long enough knew what had happened over the first union that tried to get in there, and after the second one went in, and after they got their contract, they said very little about it.

Mr. KENNEDY. They knew that those who had opposed the company in the first difficulty with the packinghouse workers had either been released from their jobs or had been moved to less desirable jobs; is that right?

Mrs. JENSEN. Yes, that is right.

Mr. KENNEDY. And they knew that the company was in favor of this union, and, therefore, if they opposed, they might be in difficulty?

Mrs. JENSEN. That was the general opinion, I take it.

Mr. KENNEDY. They were scared for that reason; is that right?

Mrs. JENSEN. I think so.

Mr. KENNEDY. But the contract was accepted?

Mrs. JENSEN. Yes, it was accepted, and then we set up our local. We elected officers and went on from there.

Mr. KENNEDY. Thank you very much.

The CHAIRMAN. Senator McNamara?

Senator McNAMARA. You say that they did vote on the approval of the contract at this rank and file meeting?

Mrs. JENSEN. A number of people did sign a paper accepting the contract. I believe that is what it was.

Senator McNAMARA. Who signed the contract in the original instance for the employees? Do you know?

Mrs. JENSEN. For the employees?

Senator McNAMARA. Did Mr. Smith sign it?

Well, I understand that the staff has the information, so we will get that from them. I will go on.

It is signed by International Vice President George Stuart.

Mrs. JENSEN. That is right.

Senator McNAMARA. But he did this without taking it up with you people who were the employees of the plant, apparently. This was all done before you held this union meeting you are talking about?

Mrs. JENSEN. That is right, sir.

Senator McNAMARA. And this contract was presented to you and you were told that the international vice president, Mr. Stuart, had agreed to this contract?

Mrs. JENSEN. Yes, that is right.

Senator McNAMARA. And at that time you set up a union, you indicated. Does that mean that you elected officers?

Mrs. JENSEN. Yes, sir; we did.

Senator McNAMARA. Who was elected president?

Mrs. JENSEN. Fred Kirschnek was our first president.

Senator McNAMARA. Were you elected to the job of recording secretary at that meeting?

Mrs. JENSEN. No. I was appointed as financial secretary-treasurer.

Senator McNAMARA. The notes I have before me says that you are recording secretary of the Bakery and Confectionery Workers Local No. 499. That is not correct?

Mrs. JENSEN. No. I am the financial secretary-treasurer.

Senator McNAMARA. You are secretary-treasurer?

Mrs. JENSEN. Yes, sir.

Senator McNAMARA. You got your job by appointment. Who appointed you?

Mrs. JENSEN. Merle Smith appointed me for 1 year.

Senator McNAMARA. He appointed you for 1 year?

Mrs. JENSEN. Yes, sir.

Senator McNAMARA. That year is not yet up?

Mrs. JENSEN. No, sir. It will be up in December.

Senator McNAMARA. Were all the other officers appointed or elected?

Mrs. JENSEN. They were elected. I believe—I think there were a few stewards or stewardesses who were appointed, but most of them were elected, I believe.

Senator McNAMARA. Who do you think they elected? A vice president and a president?

Mrs. JENSEN. Yes, sir.

Senator McNAMARA. And a recording secretary?

Mrs. JENSEN. Yes, sir.

Senator McNAMARA. What others?

Mrs. JENSEN. We had an executive board and the trustees.

Senator McNAMARA. They were all elected, in your estimation, in the legitimate way?

Mrs. JENSEN. Yes, sir; they were.

Senator McNAMARA. And you were appointed by Mr. Smith, and Mr. Smith was not an employee of the plant. Was he?

Mrs. JENSEN. No. He was a representative of our international union.

Senator McNAMARA. We have two representatives, the man who signed the contract, the international vice president, and Mr. Smith. Do you understand that the regional organizer, Mr. Smith, was appointed by Mr. Stuart? Was that how he got his job?

Mrs. JENSEN. That I don't know.

Senator McNAMARA. Mr. Smith was there before Mr. Stuart, apparently.

Mrs. JENSEN. Yes; he was.

Senator McNAMARA. Then the employees of the plant didn't enter into the selection of Mr. Smith or any of the other people?

Mrs. JENSEN. No. No; they didn't.

Senator McNAMARA. So the employees had no representation in the negotiations of the contract, nor the signing of it, except to endorse it after this was all done by others?

Mrs. JENSEN. As far as I know, that is correct.

Senator McNAMARA. You were apparently one of the employees of the plant who wanted the other union, the packinghouse union, to win the election and represent the employees. Did the company take any steps to downgrade you or put you in a less desirable position, or try to get rid of you or anything because of your activities with the packinghouse workers?

Mrs. JENSEN. Not exactly. I was allowed to keep my job. But then I was never given any promotions. I stayed right on the job that I was on.

Senator McNAMARA. Were promotions quite prevalent? Did a lot of people get promoted during that period?

Mrs. JENSEN. Well, people that started working there after I did were promoted ahead of me; yes.

Senator McNAMARA. You mean they got jobs of assistant foremen or similar jobs?

Mrs. JENSEN. Similar job; yes.

Senator McNAMARA. What did you do?

Mrs. JENSEN. I was a machine operator.

Senator McNAMARA. On a packaging machine?

Mrs. JENSEN. In the packaging department.

Senator McNAMARA. How much did that pay?

Mrs. JENSEN. I was getting 95 cents an hour before the minimum-wage law went into effect, and then it went up to a dollar an hour.

Senator McNAMARA. You just got the minimum wage?

Mrs. JENSEN. Yes, sir.

Senator McNAMARA. That was before the union? After the Bakery Workers Union came in, did you get 5 cents an hour increase?

Mrs. JENSEN. Yes, sir; I did.

Senator McNAMARA. That is for a period of 1 year?

Mrs. JENSEN. Yes.

Senator McNAMARA. At the end of that year, you will get another nickel?

Mrs. JENSEN. Yes, sir.

Senator McNAMARA. And the third year another one?

Mrs. JENSEN. That is right.

Senator McNAMARA. Were your hours reduced by the contract or by the action of management?

Mrs. JENSEN. No. My work hours were not reduced.

Senator McNAMARA. We had some testimony—

Mrs. JENSEN. I understood that among some of the men workers, the maintenance workers and the engineers, and so forth, that they did cut their hours after a while, but they didn't cut any of the women's hours as far as I know.

Senator McNAMARA. The production workers' hours were not changed; is that it?

Mrs. JENSEN. That is right.

Senator McNAMARA. But the nonproduction workers, such as maintenance and others, were changed, apparently?

Mrs. JENSEN. Yes.

Senator McNAMARA. How many hours do you work a week now? Is it a 40-hour week?

Mrs. JENSEN. Well, I am no longer in the plant. I was in the plant until around the 1st of July of this year, and then I went to work in the local union office full time. Before that I was working a 40-hour week.

Senator McNAMARA. A 40-hour week?

Mrs. JENSEN. Yes.

Senator McNAMARA. And this is because of the fact that the minimum-wage laws apply? Is that your interpretation? Or is it because of the contract?

Mrs. JENSEN. No; it isn't because of the contract. The way I understand, that is the way it was before.

Senator McNAMARA. So as far as you know, the production workers' hours were not cut due to the union coming in, but continued to be on the same basis?

Mrs. JENSEN. Roughly about that.

Senator McNAMARA. I think that is all, Mr. Chairman, thank you.

The CHAIRMAN. Senator Curtis?

Senator CURTIS. How many members did the packinghouse workers union have in the plant at any one time?

Mrs. JENSEN. Do you mean in 1955 when they were trying to organize the plant?

Senator CURTIS. Yes.

Mrs. JENSEN. That I don't know.

Senator CURTIS. Did they have some?

Mrs. JENSEN. They must have had some; yes.

Senator CURTIS. You knew of a few; did you?

Mrs. JENSEN. Do you mean actual employees of the packinghouse workers?

Senator CURTIS. Yes.

Mrs. JENSEN. I just knew of one.

Senator CURTIS. You knew of one?

Mrs. JENSEN. Mr. Peterson.

Senator CURTIS. He wasn't an employee of the plant?

Mrs. JENSEN. No.

Senator CURTIS. No; I mean of the employees. Did any of them belong to the packinghouse workers union?

Mrs. JENSEN. Well, some of them signed cards. There were quite a number of them that did.

Senator CURTIS. About how many of them did that?

Mrs. JENSEN. I don't know.

Senator CURTIS. Do you think it was a majority of them?

Mrs. JENSEN. I have no idea.

Senator CURTIS. There were over 300 people working there; wasn't there?

Mrs. JENSEN. Yes; I believe there was.

Senator CURTIS. Do you believe that a majority of them had signed the cards and joined the union?

Mrs. JENSEN. Well, I don't know just how many did. At that time we didn't talk too much about it.

Senator CURTIS. I understand you don't know exactly how many, but is it your opinion that a majority of them were members of the union?

Mrs. JENSEN. I wouldn't say a majority. I would say that there were quite a number that did.

Senator CURTIS. That had joined the union even though they hadn't gotten it yet?

Mrs. JENSEN. Yes, sir.

Senator CURTIS. How many members did the bakers and confectionery workers have when the contract was signed?

Mrs. JENSEN. I don't know the number. It must have been about 250, I guess.

Senator CURTIS. But none of them had anything to do with the negotiations for the contract?

Mrs. JENSEN. Not that I know of, sir.

Senator CURTIS. Have you, or any other officer of the local union, protested to the union international or any of its representatives about this contract?

Mrs. JENSEN. Not officially.

Senator CURTIS. The local union has taken no action with regard to that?

Mrs. JENSEN. No; no official action.

Senator CURTIS. What have they done unofficially?

Mrs. JENSEN. Well, we have talked with some of the international representatives.

Senator CURTIS. To whom did you talk?

Mrs. JENSEN. To Merle Smith and Morris Gleason.

Senator CURTIS. Who talked to them? Did you talk to them?

Mrs. JENSEN. Yes.

Senator CURTIS. Who else talked to them?

Mrs. JENSEN. Well, I don't know. I guess a number of our officers did talk to them after meetings were over.

Senator CURTIS. What reply did they make?

Mrs. JENSEN. Well, the opinion I got was that it was a signed legal document, and right at the present time there just wasn't much we could do about it.

Senator CURTIS. Did the local union ratify the contract at a later time, after it was signed?

Mrs. JENSEN. Not that I know of.

Senator CURTIS. In other words, the workers never have had anything to say about that contract, is that right?

Mrs. JENSEN. No; they have not.

Senator CURTIS. That is all, Mr. Chairman.

The CHAIRMAN. I thought you said a while ago they did hand out cards to people to sign, saying that you accepted the contract.

Mrs. JENSEN. This was at a meeting after the contract was read. There was one paper which several people signed. While I don't remember too clearly, I believe it was some kind of acceptance of the contract.

The CHAIRMAN. Do you know whether a majority of the members ever signed that document accepting the contract?

Mrs. JENSEN. Well, I don't think a majority of them did. I am not quite sure, but I think they required 15 signatures on this paper.

The CHAIRMAN. How many?

Mrs. JENSEN. Fifteen, I think. I am not sure of the number.

Senator McNAMARA. Did you understand, however, that the contract was presented to this meeting of the rank and file of the employees, and they did approve it?

Mrs. JENSEN. Yes; it was read; and this paper that I just told you about was signed by a number of people.

Senator McNAMARA. The paper is something else. You had a meeting and somebody read the contract and indicated that the international officers had accepted this deal and they were recommending it to the rank and file. Did the rank and file take a vote on accepting the contract?

Mrs. JENSEN. I do not remember offhand whether an actual vote was taken. If it was, it would be recorded in our minutes of the meeting.

Senator McNAMARA. You didn't set up your organization until after this contract had been accepted, as I understood from your previous testimony; is that right?

Mrs. JENSEN. That is right.

Senator McNAMARA. Then it would not be recorded, unless it was done by the international representative. Who was chairman of the meeting; do you remember?

Mrs. JENSEN. I think Merle Smith was the chairman of that meeting.

Senator McNAMARA. And he was not one of the employees? He was the organizer?

Mrs. JENSEN. Yes, sir.

Senator McNAMARA. After that, an employee of the plant became the chairman and you did set up a regular union?

Mrs. JENSEN. Yes. We elected a president.

Senator McNAMARA. So you don't know whether the employees at this rank and file meeting or any other time, except for the 15 that you mentioned, ever approved the contract?

Mrs. JENSEN. That is right.

Senator McNAMARA. But you don't know that they didn't, either? You just do not know?

Mrs. JENSEN. I just do not know.

Senator McNAMARA. Was there, at this public meeting where the terms of the contract were read to you, dissension on the part of some people? Did they express dissatisfaction with the terms?

Mrs. JENSEN. No, sir; not at that time.

Senator McNAMARA. Nobody at all?

Mrs. JENSEN. Not that I know of.

Senator McNAMARA. Not even you that were so interested in getting a better contract, as indicated by your previous activities; you didn't protest?

Mrs. JENSEN. No; I didn't, sir.

Senator McNAMARA. You were afraid?

Mrs. JENSEN. I didn't have enough experience. I didn't feel I was qualified to question.

Senator McNAMARA. You are saying that, as far as you are concerned, it was sort of railroaded through?

Mrs. JENSEN. Yes.

Senator McNAMARA. That is all.

Senator CURTIS. These 15 people that did sign the paper, which was some approval of this contract, did they do so on their own or was

there a motion passed instructing them to sign, representing the workers present?

Mrs. JENSEN. If I remember correctly, sir, they did it on their own, because I remember they came up to the table after the meeting was over, and a few were standing back and talking, and that is when the paper was signed.

Senator CURTIS. Is there any witness here today that does have possession of the minutes so we could find out whether or not any of these local workers ever approved this contract?

Mrs. JENSEN. I don't believe so. Those minutes are in Webster City. We have a recording secretary, and she has charge of the minutes.

Senator CURTIS. That is all, Mr. Chairman.

I would like to have the staff obtain that information so we could have it in our record.

The CHAIRMAN. The staff will follow up and procure the minutes of the meeting.

Mr. KENNEDY. I understand Mr. Merle Smith was also quite shocked at the contract; was he not?

Mrs. JENSEN. Yes; he was. He seemed quite surprised.

Mr. KENNEDY. And when he presented it to the meeting, did he almost apologize, and say, "This is about the best we can get"?

Mrs. JENSEN. Yes; he did.

Mr. KENNEDY. I have the contract here, Mr. Chairman. You saw it at that time, as I understand it?

Mrs. JENSEN. Yes, sir.

Mr. KENNEDY. Can we have that made an exhibit?

The CHAIRMAN. Will you examine this document and see if you recognize it?

(Document handed to witness.)

The CHAIRMAN. Do you identify that document?

Do you recognize it?

Mrs. JENSEN. Yes, sir. It looks like a copy of the contract.

The CHAIRMAN. That may be made exhibit No. 6.

(The document referred to was marked "Exhibit No. 6" for reference, and may be found in the files of the select committee.)

Mr. KENNEDY. Mr. Chairman, the contract provides in substance a 5-cent wage increase per year, and the contract is in existence for 3 years. It is a 3-year contract, which is surprising on its face, and the increase in wages is just 5 cents per year. On the question that the attorney for Mr. Cross brought up this morning, that there is a provision in the contract that it can be reopened, it states in section 2:

The company and the union agree that on or about December 1, 1958, they will meet and discuss whether conditions at that time warrant payment by the company of an additional amount over the aforesaid 5 cents an hour herein agreed to for the year December 1, 1958, to December 1, 1959, and if they should agree on any additional amount, such amount may be applied by the union to the wage rate or as a contribution to a health and welfare fund or a pension fund.

There was nothing in here on health and welfare funds except that reference?

Mrs. JENSEN. As far as I know.

Mr. KENNEDY. And there is nothing on pension.

The holiday pay amounts to about a week after you have worked there a year.

On the seniority, this provision is of particular interest:

In the event it becomes necessary for the company to reduce its work force in any department, employees in such department shall be laid off in accordance with their seniority—

which of course sounds very good.

In the event of subsequent hiring in such a department former employees will be recalled in reverse order of their layoff—

and then it goes on to say:

Providing, however, that the skills and abilities of such employees are equal.

Once again, the company can make the decision on that.

Mrs. JENSEN. They do, too.

Mr. KENNEDY. You have had great difficulty in connection with seniority; have you not?

Mrs. JENSEN. Yes, sir.

Mr. KENNEDY. Trying to get a response on seniority in view of that seniority clause?

Mrs. JENSEN. Yes, sir.

Mr. KENNEDY. We have an affidavit here from George Stuart, who signed that contract, Mr. Chairman.

The CHAIRMAN. Thank you very much, Mrs. Jensen. You may stand aside.

The affidavit reads as follows:

George Stuart, of lawful age, being first duly sworn upon his oath, deposes and says that he formerly appeared before the McClellan Labor Management Committee in Washington, D. C.; that since that time the counsel for said committee has been investigating other phases of the bakery and confectionery workers, and particularly Morton Foods, Inc. Affiant further states that he has been asked to testify before the McClellan Labor Management Committee and affiant states that if he is called by the Select Labor Management Committee of the United States Senate and interrogated as to any matters growing out of any of these transactions, he will respectfully decline to answer on the ground that he truthfully believes that his answers to any of said questions might tend to incriminate him, and affiant further states that he will claim his constitutional rights and refuse to testify.

So if he is not here being interrogated, you now know the reason why.

All right. Call the next witness.

Mr. KENNEDY. Mr. Charles Bromley, Mr. Chairman.

The CHAIRMAN. Come forward, Mr. Bromley, please.

You do solemnly swear that the evidence you shall give before this Senate select committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. BROMLEY. I do.

TESTIMONY OF CHARLES BROMLEY

The CHAIRMAN. State your name, your place of residence, and your business or occupation.

Mr. BROMLEY. Charles Bromley. I work for Labor Relations Associates. I reside in Detroit, 16860 Edmore Street, Detroit.

The CHAIRMAN. How long have you been employed with Labor Relations Associates?

Mr. BROMLEY. Since January 15, 1956.

The CHAIRMAN. 1956?

Mr. BROMLEY. Right.

The CHAIRMAN. Do you waive the right of counsel, Mr. Bromley?

Mr. BROMLEY. Yes, I do.

Mr. KENNEDY. You have been with Labor Relations Associates for how long?

Mr. BROMLEY. Since January 15, 1956.

Mr. KENNEDY. And you have worked out of the Detroit office, is that right?

Mr. BROMLEY. Right.

Mr. KENNEDY. Who is in charge of the Detroit office?

Mr. BROMLEY. Mr. George Kamenow is in charge.

Mr. KENNEDY. Is that an independent operation now?

Mr. BROMLEY. I understand it is at the present time, yes.

Mr. KENNEDY. He has broken away from Mr. Shefferman?

Mr. BROMLEY. That is what we have been told.

Mr. KENNEDY. How long ago was that?

Mr. BROMLEY. I couldn't say exactly, but I think June 1.

Mr. KENNEDY. June 1?

Mr. BROMLEY. I believe it is June 1, yes, sir.

The CHAIRMAN. Was it subsequent to Mr. Shefferman testifying before the committee?

Mr. BROMLEY. Would you give me that again, please?

The CHAIRMAN. Did this happen after Mr. Shefferman testified before this committee? Do you recall?

Mr. BROMLEY. Yes, it was after.

The CHAIRMAN. It was subsequent.

Mr. KENNEDY. How long have you known Mr. Kamenow?

Mr. BROMLEY. I knew Mr. Kamenow—I previously came from Waterloo, Iowa. I knew Mr. Kamenow out there at the Chamberlain Corp. Chamberlain Corp. is one of his clients, and I previously worked at the Chamberlain Corp.

Mr. KENNEDY. Did you have a position in the union at the Chamberlain Corp.?

Mr. BROMLEY. In 1952 I was chief steward of local 1318 out there.

Mr. KENNEDY. Chief steward?

Mr. BROMLEY. Chief steward.

Mr. KENNEDY. Of what union?

Mr. BROMLEY. Machinists union.

Mr. KENNEDY. Yes?

Mr. BROMLEY. In 1953 I was president of the local, 1954 I was president of the local and in 1955 I was again chief steward of the local.

Mr. KENNEDY. It was while you were chief steward of the local that Mr. Kamenow came as a representative of the company, doing some work for the company; is that right?

Mr. BROMLEY. Yes.

Mr. KENNEDY. And you met him at that time? You met him at that time?

Mr. BROMLEY. Yes; I met him at that time.

Mr. KENNEDY. And subsequently went to work for him; is that right?

Mr. BROMLEY. In 1955, around December, he asked me to come and go to work for him in labor relations.

Mr. KENNEDY. He was down there during 1953, 1954, and 1955; was he not?

Mr. BROMLEY. Right.

Mr. KENNEDY. In going over his work papers, we find a great deal of money charged to expenses of entertaining union officials. Do you know anything about that?

Mr. BROMLEY. I would like to give an explanation. It wouldn't be fair to answer "Yes" or "No."

I would rather give an explanation in this way: Mr. Kamenow used to come to Waterloo to handle grievance meetings for the Chamberlain Corp. How often I couldn't say, but we will say approximately once a month, through the 4 years that I served on the union committee out there.

When he would come, we would have our grievance meeting in the plant, and we had a cafeteria in the plant, and when we took a break for lunch, he always picked up the tab for the lunch. There was generally five on the committee, plus our business agent, and, of course, the officials in the union. So there was generally 10 or 11 in the group.

As far as any dinners or entertainment that might appear on his daily expense sheets, the figures that have been quoted to me by Mr. Salinger and Mr. Sheridan, I believe his name was, in Detroit, when they questioned me, were news to me. I did not see his expense sheets, and I cannot answer on the expense sheets. The only thing I can say is this: We never did receive any gifts at Christmas time or any other time. I understand he had it wrote on his expense sheets in that way.

Also, as far as lunches, dinners, or any entertainment, he always picked up the tab in the cafeteria, as I said, for our lunches.

Mr. KENNEDY. That is at the cafeteria?

Mr. BROMLEY. That is right, in the plant.

Mr. KENNEDY. Wouldn't you have difficulty spending more than a dollar for lunch in that cafeteria?

Mr. BROMLEY. I would say 50 cents to a dollar.

Mr. KENNEDY. With a dollar you would really be going overboard, wouldn't you?

Mr. BROMLEY. I wouldn't put it that strong. But a dollar would buy you a pretty good meal. I will put it that way. As far as dinners, I can't give you the exact year, but there was one dinner and refreshments, or drinks, that he did buy for the committee. I don't know whether it was 1953 or 1954. I think it was 1954. There was approximately 10 in the group, including company officials, and the union committee. We finished negotiations and it was a union contract negotiation, we finished about 6 o'clock in the union and we went out to the Chesterfield and had dinner and had a few drinks and spent the evening.

Mr. KENNEDY. But that was the only time?

Mr. BROMLEY. That was the only time that we ever had dinner and entertainment.

Mr. KENNEDY. His expense sheet is replete with the entertainment of union officials in Waterloo, Iowa, at the Chamberlain Corp. He was continuously having lunch and dinner with union officials. They were amounting to quite—well, when you go through the list, it adds to quite a large amount of money. It starts back in January 1953, \$71.37; February 11, 1943, \$149; February 15, \$83.80; and \$130 on February 16.

This is all entertainment, lunch and dinner for union officials; \$72.88 in September of 1953. It goes through October 1953, \$108, for union officials.

Entertainment of union officials in December, \$459 for a Christmas gift to a union official, \$87.10 for entertaining them, and a couple of days later \$63.50. It goes through 1954, \$104, \$89, \$63, \$110.46, \$105.

Down there it was entertaining union officials and some company officials and big gifts and it amounts to over \$21,000.

Mr. BROMLEY. That is the figure that Mr. Salinger quoted me yesterday.

Mr. KENNEDY. Can you tell us any explanation about that cafeteria where a good lunch is 50 cents to a dollar?

Mr. BROMLEY. I can give you no explanation except what I told you. As I said, the figures were news to me. When your investigators quoted them to me in Detroit—I might add this: I don't see how you expect me to answer on his expense. I am not there to hand out his money to pay the bill.

Mr. KENNEDY. The reason I am asking you the question is because so much of it says union and union officials.

Mr. BROMLEY. I understand.

Mr. KENNEDY. You were the union official at that time.

Mr. BROMLEY. I was a union official at that time. I will say this, speaking for myself, and speaking for the committee, the boys out there that I worked with in the 5 years that I was at the plant there was never anything further than what I told you here bought as far as lunches in the cafeteria and the one dinner. I think I can speak very clearly in speaking for the rest of the boys that served on the committee out there.

Mr. KENNEDY. I am sure that Mr. Kamenow will have some explanation.

Mr. BROMLEY. Maybe he can clear it up for you. I can't.

Mr. KENNEDY. He hasn't yet, I might add.

Mr. BROMLEY. That I don't know.

Mr. KENNEDY. You were sent out by Mr. Kamenow to the Morton Frozen Foods Co. after you went to work for him and left Chamberlain?

Mr. BROMLEY. I was sent to Detroit—to Chicago.

Mr. KENNEDY. How did that come about?

Mr. BROMLEY. I received a call from Mr. Kamenow on a Saturday—the date I don't recall; you probably have the date on it—to report—

Mr. KENNEDY. October 14, 1956.

Mr. BROMLEY. If that is Saturday, yes—to report to Shelton Shefferman in the Chicago office. He said he had an assignment for me. He wanted to borrow a man from Detroit, and I happened to be that man. So I reported to Shelton Shefferman on a Monday, which, I think, was the 16th. He gave me my instructions to go out to Webster City, to the Morton Frozen Foods plant.

He explained it in this way: Continental Baking had bought Morton Frozen Foods and they were now a part of the Continental Baking. Continental Baking was organized at present in all their other plants by the bakers and confectionery workers. Morton Foods was not organized. Continental Baking's reason for wanting the bakers in was

because they did not want to see two conflicting unions in one industry, which causes a lot of friction between plants, I should say.

Also, he said that Continental Baking did advertise union-label products. Therefore, they wanted Morton Frozen Foods organized. I was supposed to go out to Morton Frozen Foods, get authorization cards signed for the bakers' union so that they could represent the people. I arrived—do you want me to go on?

Mr. KENNEDY. Yes.

Mr. BROMLEY. I arrived in Webster City, I think, on a Tuesday morning very early, and I met Keith Binns. We discussed it, and he took me through the plant, and he introduced me to the foremen.

That evening Merle Smith came to my hotel room, and I would say approximately 11 o'clock, and he was leaving for the bakers' convention on the west coast. He had come up to the hotel room and told me he would be leaving the next morning very early and that he probably would not be back before I left.

He said to contact a man by the name of Spurling, whom he had working very closely with him, and Spurling was an organizer for the teamsters, and they had been organizing Morton's Frozen Foods together.

He said to contact Spurling and he would furnish me with authorization cards and also furnish me with contacts in the plant. That I did, and I contacted Spurling the next afternoon or evening, and I believe I had dinner with him.

He furnished me with the cards and he also told me how many approximately members he had signed at the present, and they were not doing too good. Then is when I found out that there had been quite a drive against the United Packinghouse Workers about a year before that.

That was before my time with labor relations council, and nobody filled me in on it. Whether it was intentional or overlooked, I don't know. But that is when I found out about the drive in 1955.

Because of that drive he was having considerable trouble getting anybody to sign cards within the plant. We discussed it, and he gave me the leads that he had been working with in the plant, and I took it from there and went right into the plant and explained to the people exactly what the company's position was, that they were not going to object to the union coming in, and they felt that eventually, I imagine, they would be organized and that they wanted the bakers' union in because all of the rest of their plants were that way.

Mr. KENNEDY. Did you tell them at that time you were a company representative?

Mr. BROMLEY. To the best of my recollection, I did.

Mr. KENNEDY. So you were in there as a company representative signing up people for the bakery workers.

Mr. BROMLEY. When you say "company representative," I think if anybody asked me, and very few did, that I explained it in this way, that my company, Labor Relations Associates, was hired by Morton Foods, or Continental Baking, whichever firm you wanted to use, and that I was a representative sent out to do the job.

Mr. KENNEDY. Whether you told them that or not, you were in there as a company representative; were you not?

Mr. BROMLEY. That is right.

Mr. KENNEDY. To sign up the employees in the bakers union?

Mr. BROMLEY. To get the authorization cards signed for representation.

Mr. KENNEDY. With the bakers union?

Mr. BROMLEY. Yes, sir.

Mr. KENNEDY. All right. So you continued to work at that for a period of time.

Mr. BROMLEY. I continued to work at that for approximately 3 weeks and I think that I was there, I believe, 3 weeks.

Mr. KENNEDY. Do you know Mr. Nevitt?

Mr. BROMLEY. Yes; I know him.

Mr. KENNEDY. He is also working for Labor Relations Associates?

Mr. BROMLEY. Yes, sir.

Mr. KENNEDY. And you learned he had been up there the year before?

Mr. BROMLEY. I did not find that out until I went out to Mortons Frozen Foods.

Mr. KENNEDY. Did you find it difficult overcoming what Mr. Nevitt had done?

Mr. BROMLEY. Let me say that I found the people were not too anxious to sign any cards. They were afraid of retaliation by the company, I believe.

Whether there had been retaliation, none of them did quote anything to me. But Spurling, and Merle Smith were not making much headway at the time that I arrived out there.

Mr. KENNEDY. But you were able to get a good number of cards signed?

Mr. BROMLEY. During the time I was there, I would say approximately—and this is an approximate figure—I would say approximately 85 or 90 percent.

Mr. KENNEDY. So the union representatives themselves were not able to get the cards signed but when the company sent a labor representative in there they were able to get 85 percent of the cards signed.

Mr. BROMLEY. That is right.

Mr. KENNEDY. Have you had much experience in your connection with Labor Relations Associates of going into a company and signing up the employees for the union?

Mr. BROMLEY. You mean like happened in Mortons Frozen Foods?

Mr. KENNEDY. Yes.

Mr. BROMLEY. To the best of my knowledge, I can't very well speak for the rest of the boys in the organization, but to the best of my knowledge this is the only case of where it has ever been done.

Mr. KENNEDY. Were you surprised at your job up there?

Mr. BROMLEY. No, I can't say that I was really surprised. Maybe some people would have been, and maybe I am not the type to be surprised.

Mr. KENNEDY. You were not?

Mr. BROMLEY. I was not surprised.

Mr. KENNEDY. Were you told before you went up there that you would use your own name?

Mr. BROMLEY. Yes, sir.

Mr. KENNEDY. They told you you could use your own name on this job?

Mr. BROMLEY. Yes, sir.

Mr. KENNEDY. You did not play any part in the signing of the contract?

Mr. BROMLEY. I knew nothing about the contract. I have never seen a copy of the contract. The first that I knew of the contract was when Mr. Salinger and Mr. Sheridan asked me the question in Detroit, did I know that there was a contract signed before I ever went out to Mortons Frozen Foods.

I did not know that, and I don't believe that there was. The only thing that I ever heard about a contract in the 3 weeks I spent in Mortons Frozen Foods was Mr. Binns left, I believe it was the second week, he was gone a couple of days and I didn't even know where he went. When he came back he stated to me that he had been in Chicago with management working on a contract.

Now, what he meant by "working on a contract," I assumed, and I did not ask him to explain further and he did not go on to explain further, but I assumed which is done every day by companies when they are going to have a contract negotiation, whether it is continuance of a contract or the first contract they have ever had, that a company will sit down and draw up a proposal to present to the union.

Now, I assumed that is what they were doing in there, when he said they had been working on a contract.

Mr. KENNEDY. How much longer after he told you that, did you stay up in Webster City?

Mr. BROMLEY. I think I left about 10 days after that.

Mr. KENNEDY. About 10 days?

Mr. BROMLEY. Yes, sir.

Mr. KENNEDY. That is all.

Mr. BROMLEY. Ten days or a week, but it was right in that neighborhood.

Senator McNAMARA. What is your current assignment for this labor relations company you are now employed by?

Mr. BROMLEY. I don't quite follow you.

Senator McNAMARA. Are you working out of the Detroit office?

Mr. BROMLEY. Out of the Detroit office.

Senator McNAMARA. What is your assignment in Detroit? Are you working with some particular contract?

Mr. BROMLEY. Well, I don't see how you say, "some particular contract."

Senator McNAMARA. You were assigned for instance, by your employer to go to the Morton Co.

Mr. BROMLEY. I received that assignment from Shelton Shefferman in Chicago, and that was the only client that I ever handled for the Chicago office. Otherwise, I have worked out of Detroit on plants in our own area, and for Mr. George Kamenow.

Senator McNAMARA. Do you have a certain list of clients that you are restricted to working with or do you have an amount of time or how do you get these?

Mr. BROMLEY. The client that we have in Detroit, as a rule, the ones that I can speak for, are clients that have been with us a number of years. They are still with us, and generally we have one person in that office, and I can't say how the Chicago office runs theirs, and it might be different.

If I have a client that I serve, I am the one that continuously serves that client.

Senator McNAMARA. Do you have such clients that you continually serve in the Detroit area now?

Mr. BROMLEY. Me being the youngest person in labor relations, I haven't been with them quite 2 years, I have traveled with the other fellow in the Detroit office, Mr. Robert Fox, and I have traveled with him considerably in the State of Michigan, more or less as a training program. I would like to make this remark, which might sound a little odd to you, and it was a surprise to me, that it is not easy to switch from the union side to management and be able to change your way of thinking automatically.

It is something that you have to live with day after day, and you have to study management problems. When you represent unions and unions only you do not always see management's side of the argument.

It is not easy to change from one side to the other like I did with no experience in the labor-relations field.

Senator McNAMARA. Well, let us leave that question for a moment and maybe we will get back to it. You previously were employed by a company that was operated by Mr. Shefferman, Labor Relations Associates, is that the name?

Mr. BROMLEY. Labor Relations Associates.

Senator McNAMARA. Were you paid by check?

Mr. BROMLEY. Yes. You mean our paycheck, our salary check?

Senator McNAMARA. Yes.

Mr. BROMLEY. Yes, that is right.

Senator McNAMARA. What was the name of the outfit that was indicated on the check? Was that it? Were you paid by the Labor Relations Associates?

Mr. BROMLEY. Yes, of Chicago.

Senator McNAMARA. Now, you are not with them any longer.

Mr. BROMLEY. Our checks at the present time are personnel relations advisers.

Senator McNAMARA. What is the name?

Mr. BROMLEY. Personnel relations advisers.

Senator McNAMARA. This is the new company that you understand or you are giving the committee to understand, is operated by Mr. George Kamenow?

Mr. BROMLEY. Yes, sir.

Senator McNAMARA. You indicated this change was made some months ago, in June?

Mr. BROMLEY. On June 1.

Senator McNAMARA. You no longer are employed by Mr. Shefferman and this is one of the indications, you have a different type of paycheck now.

Mr. BROMLEY. Yes.

Senator McNAMARA. Was the stationery changed, the stationery that you do your correspondence with your clients on?

Mr. BROMLEY. To the best of my knowledge, everything was changed to personnel relations advisers, everything in that area went with Mr. Kamenow.

Senator McNAMARA. What do you do for this new company? What is your job?

Mr. BROMLEY. I could put it this way, that we are advisers for management in the fields of labor, personnel work, and we handle griev-

ance meetings where there are contracts written and we also handle negotiations for companies, and we take care of their contract negotiations where they are organized.

Senator McNAMARA. Now you are telling me about the overall company activities. Are you an officer of the new company?

Mr. BROMLEY. No.

Senator McNAMARA. You are just an employee?

Mr. BROMLEY. Yes, sir.

Senator McNAMARA. What do you personally do? What did you do last week, for instance? What was your assignment last week?

Mr. BROMLEY. It is pretty hard to answer that. As far as last week, I spent 1 day at a company by the name of DeVlieg Machine Co. I spent the better part of 1 day out there and the other 4 days I was in the office.

We never know from week to week. It is pretty hard to look a week ahead and know where a grievance might come up in a particular union or where we might have to go to settle a grievance.

Senator McNAMARA. I think that is pretty generally understandable. Now tell me this: Did this new company take over some of the accounts of the old company in Detroit?

Mr. BROMLEY. When you say "the old company in Detroit," you are referring to Labor Relations Associates, I assume, of the whole organization.

Senator McNAMARA. Yes.

Mr. BROMLEY. That is a kind of a hard question for me to answer when you are getting into questions on a new company. That is true for this reason: I don't feel myself qualified because I do not see the records of the company, being just an employee, and naturally everything isn't told me.

Senator McNAMARA. Then your answer is you do not know as far as all of them are concerned.

Mr. BROMLEY. I can say this: The clients that I have been serving there, and also I would say we kept all of the clients in Michigan that we had previously served, to the best of my knowledge.

Senator McNAMARA. Do you still have J. L. Hudson as one of your clients?

Mr. BROMLEY. As far as I know, yes, sir.

Senator McNAMARA. Then in general all that changed was the name, is that right?

What else changed besides the name; perhaps that would be easier for you.

Mr. BROMLEY. Well, I would say the name, the stationery, the paychecks and everything was changed to the new company.

Senator McNAMARA. The name was changed and there is no question.

Mr. BROMLEY. Well, do it your way. The name is changed. That is the best I can answer.

Senator McNAMARA. Other than that, everything is about the same, from your knowledge?

Mr. BROMLEY. As far as the way we service clients, yes, in Detroit.

Senator McNAMARA. As far as clients are concerned, the same personnel?

Mr. BROMLEY. Yes.

Senator McNAMARA. You honestly think it is a change, it is a new company now, and it is not just a phony setup because of the McClellan investigating committee?

Mr. BROMLEY. To the best of my knowledge.

Senator McNAMARA. As a labor relations representative in Detroit, were you active in keeping unions out of any companies in that area, as this company was in the Morton situation?

Mr. BROMLEY. No, although I do service a client or two, or I have serviced I should say, clients that are not organized.

Senator McNAMARA. What is that?

Mr. BROMLEY. That are not organized.

Senator McNAMARA. What is your assignment then in servicing these clients, to keep the unions out?

Mr. BROMLEY. No. I will use DeVlieg Machine Co. as a pretty good example.

Senator McNAMARA. Tell us where they are located.

Mr. BROMLEY. They are located in Detroit.

Senator McNAMARA. What street?

Mr. BROMLEY. You have got me there.

Senator McNAMARA. East side or west side?

Mr. BROMLEY. It is on the east side.

Senator McNAMARA. Down toward the river?

Mr. BROMLEY. No, it is over closer to Woodward Avenue.

Senator McNAMARA. Then it is northeast.

Mr. BROMLEY. Yes.

Senator McNAMARA. All right.

Mr. BROMLEY. We advised the company in this respect, and we give them advice as to what the wages are in their type of work throughout the whole United States, which we have access to, as to those figures, and we are also well informed on labor problems and problems that people have in the plant as far as complaints and fringe benefits and things that they should have for their employees and we advise them in that respect.

That is the way that particular client there has worked.

Senator McNAMARA. What are the wages in the plant?

Mr. BROMLEY. They are very high. It is a highly skilled plant and I would say it this way: They are above average industry in their field.

Senator McNAMARA. Does that mean that they are \$2.50 or higher an hour?

Mr. BROMLEY. That would mean that I would say that there is a minimum wage in there on the machines of not less than \$2.75 or \$2.85 up to \$3.50, plus all of their fringe benefits and insurance program and pensions and holidays and right on down the line.

Senator McNAMARA. What is the type of their operation and what do they produce?

Mr. BROMLEY. They make milking machines, automatic jig millers, what they call them.

Senator McNAMARA. Thank you, Mr. Chairman. That is all.

The CHAIRMAN. Are there any other questions? All right, thank you very much and you may stand aside.

The committee will stand in recess until 10:30 in the morning.

(Whereupon, at 4:40 p. m., the hearing in the above-entitled matter was recessed to reconvene at 10:30 a. m. of the following day.)

INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

WEDNESDAY, OCTOBER 23, 1957

UNITED STATES SENATE,
SELECT COMMITTEE ON IMPROPER ACTIVITIES
IN THE LABOR OR MANAGEMENT FIELD,
Washington, D. C.

The select committee met at 10:30 a. m., pursuant to Senate Resolution 74, agreed to January 30, 1957, in the caucus room, Senate Office Building, Senator John L. McClellan (chairman of the select committee) presiding.

Present: Senator John L. McClellan, Democrat, Arkansas; Senator Irving M. Ives, Republican, New York; Senator John F. Kennedy, Democrat, Massachusetts; Senator Sam J. Ervin, Democrat, North Carolina; Senator Pat McNamara, Democrat, Michigan; Senator Carl T. Curtis, Republican, Nebraska.

Also present: Robert F. Kennedy, chief counsel; Pierre E. G. Salinger, investigator; Ruth Young Watt, chief clerk.

The CHAIRMAN. The committee will be in order.

(Present at the convening of the session were Senators McClellan, Ives, and Kennedy.)

The CHAIRMAN. Call your first witness.

Mr. KENNEDY. Mr. James Cross.

The CHAIRMAN. Will Mr. James Cross come around, please?

Mr. HARRIS. I am very sorry. I did not realize Mr. Cross would be called first, and he is out making a phone call. We will send for him right away, and we will get him in.

The CHAIRMAN. We can wait for him for a minute.

(The witness entered the hearing room.)

The CHAIRMAN. Will you be sworn? Do you solemnly swear that the evidence that you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. CROSS. I do.

TESTIMONY OF JAMES G. CROSS, ACCOMPANIED BY HIS COUNSEL, A. J. HARRIS

The CHAIRMAN. Mr. Cross, state your name, your place of residence, and your business or occupation, please.

Mr. CROSS. James G. Cross, president of the Bakery and Confectionery Workers International Union of America, and I reside at 7420 Hampton Lane, Bethesda, Md.

The CHAIRMAN. Did you state your business or profession?

Mr. CROSS. President of the Bakery and Confectionery Workers International Union of America.

The CHAIRMAN. Will you identify yourself for the record, Mr. Counsel?

Mr. HARRIS. My name is Abraham J. Harris, an attorney of Washington, D. C.

The CHAIRMAN. Thank you.

Mr. KENNEDY. Mr. Cross, I wanted to ask you about this contract and about the events that preceded the contract that was signed between the bakers union and the Mortons Frozen Food Co. up in Webster City, Iowa. What information did you have about that? Did you conduct any of the negotiations yourself?

Mr. CROSS. No, sir.

Mr. KENNEDY. You never did?

Mr. CROSS. No, sir.

Mr. KENNEDY. Did you know anything about it?

Mr. CROSS. I knew that there was an organization campaign going on, because there had been an exchange of letters between the Continental Baking Co. and myself, on the question of overall recognition of this union in their plants.

Mr. KENNEDY. Had you discussed the contract with any officials of the Morton Frozen Food Co.?

Mr. CROSS. I have never met any officials of Morton's Frozen Food.

Mr. KENNEDY. What about the Continental Baking Co.?

Mr. CROSS. The only gentleman that I have ever discussed anything with in regard to Morton Frozen Food had been Mr. George Faunce.

Mr. KENNEDY. What conversations did you have with him about that?

Mr. CROSS. The question of recognition of our union, as to whether or not their company would agree that we are the proper union for the jurisdiction of the products manufactured by them and, in one subsequent meeting, discussed with him and Stewart, on a general basis, the results of negotiations of a contract which was to be submitted to the workers in Webster City, Iowa.

Mr. KENNEDY. What do you mean; the results of the negotiations of the contract?

Mr. CROSS. As I understand it, they had reached a tentative understanding. Mr. Stewart and Mr. Faunce, on terms of an agreement that was to be submitted to the workers at Morton Frozen Food.

Mr. KENNEDY. You approved of the results of that?

Mr. CROSS. I neither approved nor disapproved, because I don't handle the negotiations, and I merely stated that, if it was satisfactory with them and it was satisfactory with the workers in Webster City, it would be all right with me.

Mr. KENNEDY. Did you try to take any steps to insure that the workers in Webster City had an opportunity to approve the contract?

Mr. CROSS. I took it for granted that those on the scene would do that; that is our normal procedure.

Mr. KENNEDY. Well, that they would partake in the negotiations of the contract?

Mr. CROSS. That, again, I would have no knowledge of.

Mr. KENNEDY. You did not find that out?

Mr. CROSS. No, sir.

Mr. KENNEDY. You did not check that at all?

Mr. CROSS. No.

Mr. KENNEDY. Did you know that the contract had been drawn up, in substance, in Mr. Shefferman's office?

Mr. CROSS. No, sir.

Mr. KENNEDY. You did not know at that time?

Mr. CROSS. No, sir.

Mr. KENNEDY. Did you discuss this at all with Mr. Shefferman?

Mr. CROSS. I never discussed anything with Mr. Shefferman in my life.

Mr. KENNEDY. You have not?

Mr. CROSS. No; I don't know him except that I have met him at a couple of AFL conventions.

Mr. KENNEDY. But you never discussed this matter with him?

Mr. CROSS. No, sir.

Mr. KENNEDY. Did you discuss it with any of his people?

Mr. CROSS. I have never met any of his people with the exception of his son, Mr. Shefferman, and in the same circumstances, at an AFL convention.

Mr. KENNEDY. Did you know his people were in Webster City, Iowa, assisting the representatives of the bakers union to organize the plant?

Mr. CROSS. In the last few months, of course, I have had so much, that I cannot now recall whether I knew before or after that the Shefferman people were even retained by the Morton Frozen Foods. I do know, to the best of my knowledge, I can say that at some period during this 1956 or 1957 period I learned that the Shefferman firm had been retained by Morton Frozen Foods.

Mr. KENNEDY. Now, would you answer the question: Did you know that the representatives of the Shefferman outfit were in Webster City, Iowa, assisting the bakers union to sign up employees in the bakers union?

Mr. CROSS. Well, you would have to, Mr. Kennedy, if you would, let me know approximately what time. I was not aware of any of this for months after it took place. Just what period do you mean?

Mr. KENNEDY. While it was going on did you know that?

Mr. CROSS. When was it going on?

Mr. KENNEDY. In 1956.

Mr. CROSS. The whole year?

Mr. KENNEDY. Well, October and November of 1956.

Mr. CROSS. Well, there I may have become aware if it was reported to me, and again, from any direct knowledge I would not know.

Mr. KENNEDY. Didn't you have enough organizers in the bakers union that you could send your own people up that you did not have to call on the assistance of Mr. Shefferman to assist you in that?

Mr. CROSS. Now just a minute, Mr. Kennedy. I am going to attempt to give as truthfully as I can to this committee my activities in this affair. I have already stated categorically that I never had any dealings with the Shefferman concern and I never had any dealings with the Mortons Frozen Food concern, and my sole and only contact in this whole affair was with the top company officials of the Continental Baking Co.

I did assign organizers to the Webster City organizational campaign. What the company did, or what the Shefferman concern did

in assisting, if they did, that is their business. I think we could have organized it ourselves without any help if we did receive it.

The CHAIRMAN. Mr. Cross, the question here is, Did you know that you were receiving the help of the Shefferman people?

Mr. Cross. To the best of my knowledge at the time that it was stated that they were there, I do not recall knowing about it.

The CHAIRMAN. Well, now, we are looking into practices here that some have already possibly judged and if they have not judged, it is certainly raising a question as to whether the law was being complied with, whether there was a violation on the part of the Taft-Hartley law by business and management, or whether there was collusion between your union and business in this organization of this plant.

Now, what we want to do is just get the facts and it is perfectly relevant to ascertain what you, as president of the bakers union, knew about the presence of Shefferman's men there and what they were doing there and what knowledge you had of it and to what extent you agreed to it and cooperated in that practice.

Proceed, Mr. Kennedy.

Mr. KENNEDY. Well, maybe you could answer that question the Chair has put to you about whether you were aware of the fact, and made use of the employees of the Shefferman office to assist the bakers union in organizing the plant at Webster City, Iowa.

Mr. Cross. As to being aware at any time, it is possible that it was called to my attention that the Shefferman people were on the scene. As to using them, I never requested their assistance nor did I have any direct contact with them in directing their activities in Webster City.

The CHAIRMAN. Would that be an unusual arrangement? Have you had that experience before?

Mr. Cross. As far as this international union is concerned, it is the first time that we have ever had a situation like this.

The CHAIRMAN. Then if it is so unusual, I think that you would remember better the details of it.

Mr. Cross. Senator, I am sure you will understand that you are talking about October and November of 1956, at which time I was deep into an international union convention. This is a detail of a shop employing about 250 people, when we have contracts involving 160,000 people.

The CHAIRMAN. That is true and I am not raising any question about that. We are trying to get into what actually went on here between business, or between management and the union, and whether there was collusion and what tactics were used to bring these people into your union.

Now, it is perfectly apparent from the testimony yesterday, that management knew, and management condoned at least, if it did not absolutely arrange—and I think it arranged to have this Shefferman firm, their people down there helping to organize this plant to be sure they got in your union, whereas they had the same Shefferman representatives there before or representatives of Shefferman there just a few months before to try to keep them from joining another union.

That is, I think, certainly giving some evidence of an improper practice and collusion between the union and the management of that company.

(At this point, Senators McNamara and Curtis entered the hearing room.)

The CHAIRMAN. We want all of the information you can give us to clear it up.

Mr. CROSS. I am happy to give everything that I can to clear up this situation. However, Senator McClellan, I think it is important to know that since checking into this, I have a great deal of respect for the United Packinghouse Workers activity in organizing the Morton Frozen Food, whether or not I agree it is their jurisdiction is something else again.

However, it is my understanding that they were not engaged in any organizing activity at the time that our organizers went to Webster City.

The CHAIRMAN. I said it was a few months before.

Mr. CROSS. I am sure it was at least a year before.

The CHAIRMAN. All right, we will make it a year before. That is immaterial and it was a short time before, the same firm, the Shefferman people had been employed—or they were employed because they were paid—they were used to come down there to try to keep the employees of that plant from joining another union.

Now, a few months later we find the same firm, Shefferman firm, back down there with its men trying to get the men to join your union. That is what we are inquiring into and we want to know whatever you know about it.

Mr. CROSS. I would like to tell you then, it is an entirely different employer concerned in this when we went in to organize the plant. We do not know the people of Morton Frozen Food and we had no knowledge of, actually, their existence.

But when it was purchased by the Continental Baking Co., we have a contract, 79 out of their 80 plants organized, and it was only after the purchase by the Continental Baking Co., and I hope a change in labor attitude as far as the company was concerned, that we proceeded to attempt to organize them.

We found no union on the scene in competition with us and we did organize the people and we did sign a contract.

The CHAIRMAN. That we know.

Mr. CROSS. And I did not do it with any direct knowledge of the aid of the Shefferman firm. I have no connections with Shefferman.

The CHAIRMAN. Now, you had no knowledge of the Shefferman firm being employed and their people were down there, and their representatives were there to help persuade the employees of that plant to join your union. You had no knowledge of it; is that correct?

Mr. CROSS. I had no knowledge at the time we entered into the attempt to organize. But during the organization period it could have been brought to my attention by the men on the scene.

The CHAIRMAN. Now you say it could have been.

Mr. CROSS. I don't recall.

The CHAIRMAN. It could have been or it could not have been; what is it?

Mr. CROSS. I don't know.

Senator CURTIS. Mr. Cross, who is Merle Smith?

Mr. CROSS. Merle Smith is the regional director of the southern area for organization.

Senator CURTIS. Of your union?

Mr. Cross. Yes, sir.

Senator CURTIS. And he represents your union in his organizational efforts?

Mr. Cross. Yes, sir.

Senator CURTIS. And he represents the international union?

Mr. Cross. Yes, sir.

Senator CURTIS. He was present at the convention in October of 1956, was he not?

Mr. Cross. I would presume he was. He would have to be elected from a local union and I do not know whether he was or not.

Senator CURTIS. Did he report to you when he saw you about their activities at Webster City?

Mr. Cross. I would not recall, sir. If he did, it would be such a minor incident to me in the middle of a convention.

Senator CURTIS. He represents the bakers union, and he has authority to speak for them in organizational matters, is that correct?

Mr. Cross. In areas where he is assigned.

Senator CURTIS. Now, it is true that Merle Smith went to the hotel, or at least it was testified yesterday, he went to the hotel at 11 o'clock a night and sought out Mr. Shefferman's man, Mr. Bromley, instructed him on how to proceed as to going about to sign up these cards and advised him to see a Mr. Spurling of the teamsters to assist him.

Do you know Mr. Spurling?

Mr. Cross. I don't think so, sir. If he was in this room today I would not be able to pick him out. I may have met him, and you know how that is.

Senator CURTIS. Regardless of your ability to remember what you knew about it, the fact seems fairly well established that Merle Smith represented the Bakers and Confectionery Workers Union and he not only knew about it but he was a principal actor.

Mr. Cross. Yes.

Senator CURTIS. That is all.

Mr. KENNEDY. Mr. Cross, the testimony before this committee has been that your bakers union representatives at the Webster City plant were unsuccessful in their drive until the Shefferman group came in.

Now, do you know anything about that?

Mr. Cross. No, sir; if they were, we should have had help and gotten different organizers in there.

Mr. KENNEDY. That is when the Shefferman people sent a representative up there to help the bakers union organize the plant. You say that that was never discussed with you?

Mr. Cross. I don't say it was never discussed because vice president Stewart, who was in charge of organization, may have mentioned the fact that they were having difficulty getting the people in Webster City. If so, I would tell him to go ahead and get it organized.

Mr. KENNEDY. The Shefferman group or firm has a general reputation of being a union-busting firm. If you heard the information that they were going to assist you in organizing the plant, I would have thought it would have been something that would have struck in your mind.

Mr. CROSS. Well, Mr. Kennedy, if the Shefferman firm has the reputation for union-busing, I wouldn't go on that because I have had no dealings whatsoever with the Shefferman firm and know nothing about their reputation.

Mr. KENNEDY. You didn't know on October 14 that Mr. Bromley from the Shefferman firm was being sent up to Webster City, Iowa, to assist your organizational drive?

Mr. CROSS. I don't think anybody ever discussed Mr. Bromley with me.

Mr. KENNEDY. What did Mr. Shefferman discuss with you when he called you on October 13?

Mr. CROSS. Mr. Shefferman called? I don't know.

Mr. KENNEDY. Yes. He called you at your office and then at your home in Bethesda?

Mr. CROSS. When?

Mr. KENNEDY. October 13, the day before representatives of his firm were dispatched to Webster City, Iowa?

Mr. CROSS. I haven't the slightest idea.

Mr. KENNEDY. What did he call you about?

Mr. CROSS. I don't even recall his calling me.

Mr. KENNEDY. You can't give any better answer than that?

Mr. CROSS. I don't know any other answer. I don't know what he called me about. When did I leave for the convention?

Mr. KENNEDY. That is not the point.

Mr. CROSS. The point is I can't remember.

Mr. KENNEDY. He called you on October 13, and representatives were sent up from the Shefferman firm to Webster City, Iowa, on October 14.

Mr. CROSS. Did he talk to me?

Mr. KENNEDY. Yes; he did.

Mr. CROSS. I am sure about it, because I never recall the conversation with Mr. Shefferman. Because he called my home doesn't necessarily mean he talks to me.

Mr. KENNEDY. It was person to person to Mr. Cross. He called you at the office and then he called you in Bethesda.

Mr. CROSS. On Saturday?

Mr. KENNEDY. I don't know whether October 13 is Saturday or not.

Mr. CROSS. You said the day before I left for the convention. That was on Sunday.

Mr. KENNEDY. No; I said October 13.

Mr. CROSS. I don't know anything about it.

Mr. KENNEDY. The day before he sent men to the Webster City plant. You haven't got any explanation for that?

Mr. CROSS. No, sir. I have had no dealings with the Shefferman firm. I wouldn't even recall a telephone call from him.

The CHAIRMAN. Have you had other telephone calls from him?

Mr. CROSS. Yes, sir. I testified, I think, to this committee, that I had a telephone call from him in 1953, which, I think, is the only other one, in regard to health and welfare, and I talked to him about that.

The CHAIRMAN. This is much later. You remember the one in 1953. Here is one in October 1956.

Mr. Cross. That is because I reviewed the actions with the Shefferman firm in regard to the health and welfare when it was being discussed by this committee. I cannot recall any telephone call. I don't deny it. I just say I don't know anything about it.

Mr. KENNEDY. Did anybody from his firm call you, Mr. Cross?

Mr. HARRIS. Would you excuse me a moment, Mr. Kennedy? I would like to ask Mr. Cross a question.

(The witness conferred with his counsel.)

The CHAIRMAN. All right.

Mr. KENNEDY. Did you talk to anybody from Mr. Shefferman's firm on October 13?

Mr. Cross. Mr. Kennedy, I know by name, and have met on about three occasions, two people in the Shefferman firm; Mr. Shefferman and Mr. Shefferman, Jr. That is all I know.

Now, if they called, I am not denying it, but I just don't remember. And, if so, and if they discussed the Webster City thing, I would refer them to the people in charge.

Mr. KENNEDY. They called you at 12:24 p. m., October 13, and talked to you for 2 minutes.

Mr. Cross. I wouldn't recall. A 2-minute conversation is worse. I wouldn't even remember. Mr. Kennedy, I receive at least 10 to 12 calls a day on my phone.

Mr. KENNEDY. It is of some significance, Mr. Cross, that, in view of the time element, in view of the fact that Mr. Shefferman then dispatched these people to Webster City, Iowa, and that was the day after; in view of the fact that the bakers were not successful in their drive until those people were dispatched from Mr. Shefferman's office, that they worked there for a period of a month or so, assisting your people signing employees up in the bakers union. I would think, as president of the bakers union, you would have more information and more knowledge about all of this.

(The witness conferred with his counsel.)

Mr. Cross. Mr. Kennedy, there are two things—

Mr. KENNEDY. That is particularly true, in view of your very strong statements earlier that you had no connection with this man.

Mr. Cross. I do not have. If you have any evidence, General Counsel of this committee, as to any improper activities on the part of myself in regard to the organization of Webster City in this contract, I would be more than happy, and think it would be fair of this committee, rather than by implication or innuendo that something is wrong, to let me know about it.

The CHAIRMAN. We are letting you know. We are letting you know about a telephone call. You say you can't remember.

Mr. Cross. They keep harassing me. A 2-minute telephone call, I don't remember. Why keep asking me?

The CHAIRMAN. How are we going to inform you if we don't keep asking you?

Mr. Cross. Who was the telephone call from?

Mr. KENNEDY. From Mr. Shefferman's office.

Mr. Cross. What does that mean?

Mr. KENNEDY. What do you mean, "What does that mean?"

Mr. Cross. Who was in Mr. Shefferman's office? Maybe Mr. Beck was there and called me. How do I know?

Mr. KENNEDY. It was from Mr. Shefferman's office to you, first at the headquarters and then at your home, Mr. James Cross. He was looking for you particularly.

Mr. Cross. Who was looking?

Mr. KENNEDY. I think we will bring out more information and evidence on this with another witness, Mr. Cross, but we are giving you an opportunity to give any explanation you can on this telephone call, on the operation of Mr. Shefferman's group in Webster City, Iowa, and then your final review of the contract yourself, as you testified here.

(At this point Senator Curtis withdrew from the hearing room.)

Mr. Cross. Mr. Kennedy, I will say again if there is any evidence of my working with the Shefferman firm on Webster City, or on any other company, I would certainly appreciate knowing about it.

The CHAIRMAN. Let me ask you something: Wouldn't you think that a telephone call from Shefferman's office the day before he dispatched his representatives down to this Webster City plant has some significance and needs some explanation? You say if we have anything.

Mr. Cross. Well, all I can say is I don't even remember him calling my home.

Mr. KENNEDY. That is all, Mr. Chairman.

The CHAIRMAN. All right. Thank you very much.

Call the next witness.

Mr. HARRIS. Mr. Chairman, is Mr. Cross excused now?

The CHAIRMAN. No, sir. Mr. Cross will be recalled. Thank you.

Mr. KENNEDY. Merle Smith.

The CHAIRMAN. Will you be sworn? You do solemnly swear that the evidence you shall give before this Senate select committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. SMITH. I do.

TESTIMONY OF MERLE SMITH

The CHAIRMAN. State your name, your place of residence, and your business or occupation.

Mr. SMITH. My name is Merle Smith. I live in Chattanooga, Tenn., 3414 Shadow Lane Drive. I am a southern regional director for the Bakery and Confectionery Workers International Union.

The CHAIRMAN. How long have you been in the union, Mr. Smith?

Mr. SMITH. I have been a member of the union for 22 years, approximately.

The CHAIRMAN. How long have you occupied the position you now have?

Mr. SMITH. Four years.

The CHAIRMAN. Do you waive the right of counsel?

Mr. SMITH. I waive the right of counsel.

The CHAIRMAN. Proceed, Mr. Kennedy.

Mr. KENNEDY. Mr. Smith, you had something to do with the organization of the Morton Frozen Food Co. in Iowa?

Mr. SMITH. Yes, sir.

Mr. KENNEDY. In Webster City, Iowa?

Mr. SMITH. Yes, sir.

Mr. KENNEDY. When did you begin your operation up there?

Mr. SMITH. I went, actually went into Webster City the first time in January of 1956, as a survey, just a couple of days there to kind of contact and see how many people there was in the plant. That was the first time I was in there.

Mr. KENNEDY. Then did you return at a later time?

Mr. SMITH. I returned up there on October—I arrived there the evening of October 2, 1956.

Mr. KENNEDY. What had preceded your going up there the second time?

Mr. SMITH. Well, in September, the latter part of September, Mr. George Stuart, under whom I worked, who was director of organization at that time, called me to Chicago to have a meeting with him, Mr. George Faunce, of Continental Baking Co., and Jimmy Hoffa of the Teamsters Union. Mr. Hoffa didn't show up. There was just a little meeting. There was no discussion except for the fact that Mr. Faunce asked me which plant I thought would be the most easy to organize, and I told him I figured since the packinghouse workers had 100 members up there already, that maybe it would be easier.

Mr. KENNEDY. There were 2 or 3 plants that were in question?

Mr. SMITH. There were three plants.

Mr. KENNEDY. Three plants. One in Crozet, Va., and one in Webster City, Iowa—

Mr. SMITH. Yes.

Mr. KENNEDY. And a third one?

Mr. SMITH. Nashville, Tenn., had a small one.

Mr. KENNEDY. It was a question of which of the three you would start with first?

Mr. SMITH. Yes.

Mr. KENNEDY. And he asked you which you thought would be the easiest, and you said Webster City, Iowa?

Mr. SMITH. Yes.

Mr. KENNEDY. Would you continue?

Mr. SMITH. Well, the only thing that Mr. Faunce said at that time was that he would see that management didn't put on a hard fight against us, or he would keep them neutral, rather, in the fight to organize the people there.

Mr. KENNEDY. What was Mr. Faunce's position at that time?

Mr. SMITH. I believe he was a vice president of the Continental Baking Co. That is as far as I know. I don't know whether he is labor relations man or not. But he was vice president of the Continental, as I understood it.

Mr. KENNEDY. So did you go up there?

Mr. SMITH. Yes, sir; I went up the following week. That was the latter part of September that I met with him. I went up the following week, and on October 3 I contacted a couple of the boys there. We made pretty good progress, I thought, contrary to what you hear. I thought we were doing pretty well. I don't like to hear my work run down like that.

In fact, we had a hundred or a little better cards signed in the 2 weeks I was there, and that isn't bad, considering there had been anti-union propaganda before. Then the convention was coming up, and, naturally we were concerned as to whether or not we were going to

get to go to the convention. But just a few days before time for me to leave for the convention, I had a call from a Shelton Shefferman, and wanted to know how I was getting along out there, and how I was coming along. I refused to talk to him, because in my organizing campaigns I like to know who I talk to, and I don't talk to them over the phone. I am from the South, and we run into opposition strong down there.

The CHAIRMAN. That is a good recommendation for you. Go ahead.

Mr. SMITH. Senator McClellan, I agree with you. But I am particular who I talk to over the phone. I didn't tell him anything, and I wouldn't tell him anything. I said "I am not talking to you."

He said, "Well, hasn't Cross or Stuart gotten in touch with you?" and I said "No, not about you."

He said, "Well, you are going to the convention?"

I said, "I hope to."

He said, "Well, during the time you are in the convention, we are going to have a couple of men out there to help take care of things."

I have this, not verbatim here, but I have a book that keeps me in memory of things that went on each time.

Mr. KENNEDY. Do you have that book in front of you now?

Mr. SMITH. It is in this case, yes.

Mr. KENNEDY. Do you want to bring it out?

The CHAIRMAN. I understand the notes in that book were made at the time?

Mr. SMITH. Made at the time, yes, sir. It is a daily record.

The CHAIRMAN. And that enables you to refresh your memory?

Mr. SMITH. Yes, sir. Were it not for that, I could not possibly remember.

Mr. KENNEDY. Do you have some notes on the conversation that you had with Mr. Shefferman?

Mr. SMITH. Well, on that particular one I don't have to make notes on that, but I do have that I did talk to him, and I know what it was about at that time, because he told me that Mr. Bromley and Mr. Neilsen would be in next day, and they would contact me. I said "Well, I will get in touch with Director Stuart and verify this."

The next morning I got in touch with Stuart and he said that there would be a fellow in there to contact me that day at my motel room. I waited until around 11 o'clock that night. No one had contacted me. I found Mr. Bromley at the hotel in town.

Mr. KENNEDY. Who is Mr. Bromley?

Mr. SMITH. He is a representative, as I understand, of the Shefferman—well, he is a representative of the Shefferman Labor Relations Agency. That was the man's name that was given me by Mr. Shefferman.

Mr. KENNEDY. Mr. Shefferman had told you in this first conversation that this matter had been cleared through Cross and Stuart?

Mr. SMITH. He didn't say that it had been cleared. He just said "Hadh't they contacted you?" And he said that they were supposed to. He didn't say they had been cleared, no, sir.

The CHAIRMAN. In other words, apparently he had clear it with them before?

Mr. SMITH. Well, I was led to believe that; yes, sir.

The CHAIRMAN. And subsequent events proved that to be true?

Mr. SMITH. I suppose so.

(At this point Senator Curtis returned to the hearing room.)

Mr. KENNEDY. So you talked to Bromley that evening, did you?

Mr. SMITH. I talked to Bromley around 11 o'clock that night in his hotel room, 11 or 11:30. I left early the next morning. I made arrangements for him and Mr. Neilsen, who wasn't in town that day but who was coming the next day, to have dinner with Mr. Spurling of the teamsters union. I left early the next day for the convention. During the convention, I called Mr. Bromley one time and asked how things were going and he said, "Well, they are going pretty good." He asked me at that time what did I know about what was going on in the international union. I didn't know what he meant by it, but I said just what I knew. I said, "I don't know a darn thing about it. What do you know about it?" He said, "Nothing. I just thought maybe you did."

I asked him to get reservations for me. I went back in to Webster City the following week after I got back from the convention. At that time they had about 280 cards signed. I, as instructed by my superiors, as soon as we had plenty of cards, contacted at this time—I made a telephone call to Mr. Cross, the president of the international union, and told him that we had sufficient cards signed for recognition or to petition for an election. He said, well, he understood that Mr. George Faunce was out of town, and that he would get hold of him and give it to George Stuart, who was handling the case.

Mr. KENNEDY. Ordinarily wouldn't this be handled by you people there in the area?

Mr. SMITH. We did advise on whether or not to petition an election, but ordinarily I feel that in the rest of my campaigns it has been handled by the men in the field. But we may ask permission and say "Well, do you think we should?"

Mr. KENNEDY. Mr. Cross said this would be handled by Mr. Faunce himself, with George Stuart?

Mr. SMITH. That is right. I understood it was to be a consent or card check election. I was told that when I went in there, that it would not be necessary to go through an NLRB election, because of the fact that they had an agreement with the Continental Baking.

Mr. KENNEDY. Who had reached the agreement with Continental?

Mr. SMITH. Well, I understood it was a general agreement with the Continental Baking Co. that because we had the balance of all their other plants, except one, that any new plant or bought plant would be given to us on a card-check or consent-election basis.

Mr. KENNEDY. During this period of time, had Mr. Bromley been assisting in obtaining these cards, these authorization cards?

Mr. SMITH. Well, he had been assisting, yes; as I understand it from people that were working in the plant at that time.

Mr. KENNEDY. Is this unusual for you to have assistance like this?

Mr. SMITH. From an outsider I have never had assistance before. It has been the other way around.

Mr. KENNEDY. This is the first experience that you have had of this kind?

Mr. SMITH. Yes, sir.

Mr. KENNEDY. Had you known anything about Mr. Shefferman's firm?

Mr. SMITH. I never heard of him until he called me that day and told me who he was. I had never heard of him.

Mr. KENNEDY. What happened then? You got in touch with Mr. Cross and he told you about Mr. Faunce. Then what happened?

Mr. SMITH. Well, Mr. Stuart called me back a day or two later and told me that we had been recognized, and that the negotiations would be started in a week or so, or something like that, and wanted to know some of the rates of what they were making there. I told him as best I could. Their rates were so messed up you couldn't give him a good answer. But shortly after that I had a meeting in which I intended to elect officers and a negotiating committee for the local union.

By coincidence, or something—I don't know whether I am learning a lot here, but by coincidence or something, Mr. Shefferman, Shelton Shefferman called me around the middle of the week and wanted to know if we were going to set up a local union there, or whether we were going to put it in Des Moines or Fort Dodge, or some of the others. I told him we were planning on establishing a local union there.

To go back to an incident that happened the day before that is connected with this, I had talked to some of the girls at the plant and told them to get to thinking about who they would like to have for their president and officers. She said, "Well, Chuck and I have already picked out the president." I said, "Chuck? Chuck who?" She said, "Chuck Bromley. We have already picked out who we want for president." I said, "What has he got to do with it?" She said, "Well, we just decided who we wanted." I said, "Well, I don't know."

The next morning, then, Mr. Shefferman called me, as I said before, and I asked him, "Has Chuck made any commitments while he was in the shop as to who would be officers?" And he said, "Yes; you are supposed to get a list. Haven't you got it?" I said, "No." He said, "Well, you are supposed to have one of the people who are supposed to be acceptable." I said, "Well, I don't think I will go along with it, because I don't know. I am not saying I will go along with it."

Mr. KENNEDY. Who was the list supposed to come from?

Mr. SMITH. He said it was supposed to come from the Morton Frozen Foods Co.

Mr. KENNEDY. As to who were supposed to be the officers of your local union?

Mr. SMITH. Yes, sir. I got into a pretty stiff argument with him there and told him that I might not even want to go along with any of them, but he could send it over and I will look at it if he wanted me to. He said to wait there and he would send it over. It was about 2 hours later and I called him back and said I didn't have it. He called Morton, evidently, and it was sent over to me. I believe you have a copy of the list.

Mr. KENNEDY. Yes; we put it into the record yesterday.

(At this point Senator Ervin entered the hearing room.)

Senator CURTIS. Who was this woman that you talked with on the phone, that said she and Chuck already picked out the officers?

Mr. SMITH. It wasn't on the phone. It was in contact.

Senator CURTIS. Who was it?

Mr. SMITH. She is still working there. Her name is Bessie Larson.

Senator CURTIS. Bessie Larson?

Mr. SMITH. Yes, sir; she lives at Fort Dodge.

Senator CURTIS. She doesn't live in Webster City?

Mr. SMITH. No; she works in Webster City.

The CHAIRMAN. Senator Ives?

Senator IVES. I would like to ask Mr. Smith a few questions about the cards that he refers to.

These cards are cards indicating their desire to join your union; is that right?

Mr. SMITH. It is giving us the bargaining rights for them, and the right to petition the NLRB for an election.

Senator IVES. How many employees were there in that particular plant?

Mr. SMITH. There was around 250 or 300. It kept growing, because that was their busy season.

Senator IVES. How many cards were signed?

Mr. SMITH. 280.

Senator IVES. 280?

Mr. SMITH. That is right.

Senator IVES. And there were only 250 employees? How do you explain that?

Mr. SMITH. That is when I went in, Mr. Ives. As I said, it was their busy season. By the time we got through, by December, they had approximately 500 people working there.

Senator IVES. I see. What I am driving at or coming to is this: You got these cards signed and turned them over to the National Labor Relations Board representative?

Mr. SMITH. No, sir.

Senator IVES. What happened? Did you have an election there?

Mr. SMITH. No, sir.

Senator IVES. Why didn't you have an election?

Mr. SMITH. Well, as I said before, I called the international union and they said that they would get a card check or consent recognition without having an election. So that is why we didn't petition.

Senator IVES. They must have based that on the cards; did they not?

Mr. SMITH. Well, of course they did—

Senator IVES. They would have to base it on something.

Mr. SMITH. On the cards, that is right.

Senator IVES. They had to have some proof that the employees wanted to belong to the union.

Mr. SMITH. That is right.

Senator IVES. The question I am driving at is this: If you hadn't had a consent of that type, and you had had an election, would your union have been chosen?

Mr. SMITH. Well, of course you can't tell about that. That is just like any other election.

Senator IVES. But you have pretty good judgment?

Mr. SMITH. I think we would have.

Senator IVES. You think you would?

Mr. SMITH. I think we would have; yes.

Senator Ives. By an overwhelming vote or by a close vote?

Mr. SMITH. Well, I think it would have been a clear majority. It might not have been 80 percent, but I think it would have been 65.

Senator Ives. What I am driving at, Mr. Chairman, is this: This card business or consent business opens the door wide for a lot of shenanigans. That is what I am driving at.

The CHAIRMAN. Senator McNamara.

Senator McNAMARA. Was this the only contract that you ever entered into that was handled by other than the employees of the plant?

Mr. SMITH. It is, it was the only one.

Senator McNAMARA. Was it an unusual procedure?

Mr. SMITH. It is with me. In the South it is unusual.

Senator McNAMARA. Is this plant what you consider in the South? Is this in your territory?

Mr. SMITH. No; except he told me he was extending my territory and it is an open shop State, and since I am familiar with open-shop laws, I think that was the reason I was sent there.

Senator McNAMARA. The fact that something happens in the South has no bearing on this particular thing, that is rather extraneous; is it not? This contract, however, was negotiated by other than you, despite the fact that you were the organizer assigned to that area.

Mr. SMITH. That is right.

Senator McNAMARA. Who assigned you to the area?

Mr. SMITH. Mr. George Stuart.

Senator McNAMARA. He was your immediate superior because he was the vice president in charge of that district.

Mr. SMITH. Director of organization.

Senator McNAMARA. Nationally?

Mr. SMITH. Nationally; yes.

Senator McNAMARA. Were you satisfied with the contract when you saw the terms of it?

Mr. SMITH. No, sir.

Senator McNAMARA. You still think it is a lousy contract?

Mr. SMITH. I still think it could be improved; yes, sir. It could have been improved.

Senator McNAMARA. I think that is an understatement. As we understand it from the testimony we have had, the employees now receive about \$1.14 an hour. Is that your understanding?

Mr. SMITH. I think that would be about right. The women are the lowest.

Senator McNAMARA. The minimum wage is \$1 an hour and it does prevail in this industry; does it not?

Mr. SMITH. Yes, sir.

Senator McNAMARA. Because they sell this food over the country.

Mr. SMITH. Yes, sir.

Senator McNAMARA. We have seen in the Washington paper today an ad for some of the Mortons food products and apparently they are a nationwide firm. Under those circumstances, it seems to me that there is every reason for this committee to be suspicious that this really was a "sweetheart" contract, and from what you say you apparently agree with that. It was negotiated without the employees' consent,

or without them being represented and it was handed even to the organizer in the district, all signed, and delivered.

Mr. SMITH. That is right.

Senator McNAMARA. This is what is generally termed a "sweetheart" contract; is it not?

Mr. SMITH. That is right.

Senator McNAMARA. Is it not a fact that these employees that you represented there certainly seemed to get a rough deal out of it?

Mr. SMITH. Yes, sir.

Senator McNAMARA. The other union, if it had been successful and by your statement they had already 100 members out of 250, obviously would have gotten them a better condition than this. That is why the boss was soft on your organization; is it not?

Mr. SMITH. I don't know, sir, and I can't answer that one.

Senator McNAMARA. There is every indication that that is the way it was, even from what you say there is an appearance that you agree with that, although I am not going to press you to say "Yes" to it.

These are the things that this committee is very much interested in. This is a situation where an organization is dealing with the employer in such a manner as to be a detriment to the employees that are paying for this service. They are paying dues and they are paying for the service, and they are really being cheated by this kind of a procedure.

Certainly, this committee is very much concerned with it, and they have every right to be investigating it and perhaps out of this some sort of legislation should be born that would insist on the employees in the plant passing on these contracts rather than giving authority to somebody to negotiate for them when they come up with such a stinking deal as this one is.

Thank you.

Senator CURTIS. Mr. Chairman, I understood that the witness stated it had been agreed that because the Bakery and Confectionery Union International had all of the contracts with Continental Baking Co. elsewhere, that they were to have this contract.

Mr. SMITH. I was told that by Director of Organization Stuart.

Senator CURTIS. Now, what I want to know is whose agreement was that?

Mr. SMITH. I was only told that they had an agreement, the international union and the Continental Baking Co., to the effect that the bakery and confectionery workers' union would be recognized as bargaining agent in any plant that they would subsequently build, buy, or acquire in any manner.

Senator CURTIS. Now, what right would the international union and the Continental Baking Co. have to make such a decision for the people that work there? I thought these laws were to protect workers in their right to organize, but the parade of evidence that we have had here for the last 6 months reveals to me something more shocking than corruption, and that is very bad, that is terrible.

But that is, that workers have no rights and they are pawns and they are captives and they are chessmen, and they are moved about. What union they might select, whether it should be their own or an independent or the right to join or not join, has not seemed to enter into the cases that we have heard here in the last 6 months.

Now, also, I want to ask you about something else. When you were told that Morton's was going to send a list of acceptable officers or suggested officers over to you, your reply was that you did not know that you could go along with that. Is that correct?

Mr. SMITH. That's right.

Senator CURTIS. But now, you are not a member of that local union, are you?

Mr. SMITH. No, sir.

Senator CURTIS. You had no voting power?

Mr. SMITH. No, sir.

Senator CURTIS. I do not mean this critically of you as an individual, but the point is that you were not the proper person to decide whether or not they were the proper officers. It was something that the workers themselves should have decided, is that right?

Mr. SMITH. That is right, but if an organizer is doing his job, he will have quite a bit of influence on the people.

Senator CURTIS. I understand that, but the point is, a practice was followed that would give someone in the position you held a chance to sell those workers down the river, had they chosen. I understand you did not so choose.

Mr. SMITH. I don't follow you there.

Senator CURTIS. That is all.

The CHAIRMAN. Proceed.

Mr. KENNEDY. Was the list of officers furnished to you?

Mr. SMITH. Yes, sir.

Mr. KENNEDY. That was after you had other conversations with Mr. Shefferman regarding that. Did you have those conversations?

Mr. SMITH. We had had 2 or 3 previous and then I did call him back and tell him I could not go along with at least a couple of them. Others were acceptable to me because they had been my key workers and I don't know how they got in that list, but they had been key workers and very good union people and I think they worked for the UPW the year before, too.

Mr. KENNEDY. One of them that they suggested as president was who?

Mr. SMITH. Cliff Hayes.

Mr. KENNEDY. He is the gentleman that led the antiunion committee against the packinghouse workers?

Mr. SMITH. Yes, sir.

Mr. KENNEDY. You refused to go along with Hayes?

Mr. SMITH. Yes, sir.

Mr. KENNEDY. Did you set up a negotiating committee to negotiate the contract?

Mr. SMITH. No, sir.

Mr. KENNEDY. Were you planning to set up a negotiating committee?

Mr. SMITH. I was planning to, but I had a call from Stuart telling me the negotiations were going to begin and I was awaiting instruction and I still thought they would come out to negotiate.

Mr. KENNEDY. Isn't that the usual procedure?

Mr. SMITH. It is the usual procedure and since it seemed to be completely—or it had been taken completely out of my hands, I didn't know what to do or where to go. That was the whole thing in a nutshell. I didn't know which way to move.

Mr. KENNEDY. So what happened then?

Mr. SMITH. I didn't know whether the Sheffermans were handling it or whether the international union was handling it. Shefferman called me at home on November 23 or 24, and right before Thanksgiving and he was trying to give me heck because I hadn't elected all of his officers on the list, and I had elected anticompany officers.

I said there are some of them that I would not go along with and I had not elected officers, but I was not going to allow Cliff Hayes to be elected if I could possibly help it. I was going to complain against him. But we got word then later.

I asked Mr. Stuart about it and he said to go along as far as possible with the list, but that he didn't think that Shefferman was supposed to pick the officers. But the next day he called me back and told me that he and Cross had talked it over and they had decided it wasn't the proper time to elect officers for that local and we didn't have a charter at that time.

So in December, around the 1st of December or the 2d or 3d or something like that, I got a call from Cross—I beg your pardon, from Mr. Stuart—saying that he and Mr. Faunce would be out there and present the contract the following Sunday at a meeting.

Just before the meeting though, he called up and said that he couldn't get transportation out there, so Jim Neilson came in and he contacted me and wanted to set up negotiations.

Mr. KENNEDY. What did he mean by "present the contract"?

Mr. SMITH. I reckon he meant that they would present it to the people.

Mr. KENNEDY. Had the contract already been signed?

Mr. SMITH. I understand it had, yes, sir.

Mr. KENNEDY. Were you surprised to hear that?

Mr. SMITH. Yes, sir, I was surprised because I had been in conversation with Mr. Stuart and asked him the direct question, and he said, "No, we can't sign yet. The teamsters haven't signed and we can't take less than they do."

Mr. KENNEDY. So you had been ready there to start negotiating in the contract and arranging to set up a negotiating committee and suddenly you heard the contract had already been signed.

Mr. SMITH. We had been talking over in our meetings things that we thought we needed in the plant, yes, sir.

Mr. KENNEDY. And so then Mr. Stuart called and said that he was going to appear on the scene with Mr. Faunce of the Continental Baking Co. and he was going to appear on the scene with the contract, is that right?

Mr. SMITH. That is right.

Mr. KENNEDY. And then he called and he said they could not get transportation and Mr. Nielson from Mr. Shefferman's office arrived, is that right?

Mr. SMITH. Yes, sir.

Mr. KENNEDY. He brought the contract, did he?

Mr. SMITH. No, sir; he did not bring it and he had not seen it.

Mr. KENNEDY. Had you seen it then?

Mr. SMITH. No, sir.

Mr. KENNEDY. What did he suggest?

Mr. SMITH. He suggested that we call the committee together and he told me that it was already signed. Since I had known from

Stuart it was already signed, he wanted me to get a committee together and negotiate, and I said, "These people are not that stupid. We can't do it."

Mr. KENNEDY. Just a sham negotiating committee?

Mr. SMITH. That is the way I understood it.

Mr. KENNEDY. Just in order to fool the workers, the employees up there, that the contract had not been signed and they were legitimately going to negotiate a contract, and he suggested that you set up a committee and act as if you were negotiating a contract, even though it had already been signed?

Mr. SMITH. That is right, sir.

Senator CURTIS. Who made that suggestion?

Mr. SMITH. Mr. Nielson.

Senator CURTIS. Who was he representing?

Mr. SMITH. The Shefferman agency.

Mr. KENNEDY. He was sent up there because Mr. Stuart and Mr. Faunce, of the Continental Baking Co., said they could not get transportation up; is that right?

Mr. SMITH. That is the way I remember it, although there was a representative of the company came in the following Sunday. I thought Nielson would be there and the next day we did—or I told Nielson I would.

Mr. KENNEDY. What did you say to him about the suggestion of setting up this sham committee?

Mr. SMITH. I told him that it wouldn't work, that I thought you couldn't put that over on these people up here.

Mr. KENNEDY. You refused to go along?

Mr. SMITH. I refused to go along and I told them I would get the people together and let him talk to them tomorrow, or what I considered the key people, the ones that I could trust and who had been working with me and let him talk to them and explain what was in the contract.

He said he hadn't read it, but he knew it would be basically the same as the others. So we did that the next afternoon and the report did not sound too bad as he gave it.

Then, the following day, Mr. Nielson left town that same day, got the charter and supplies, and three copies of the signed agreement.

The CHAIRMAN. Mr. Smith, did Mr. Cross know that the Sheffermans were in this deal?

Mr. SMITH. I don't know whether Mr. Cross knew or not, as I testified before. Mr. Shefferman asked me when I would not talk to him over the phone, hadn't Mr. Cross or Stuart gotten in touch with me.

The CHAIRMAN. Well, you had another conversation later with Mr. Cross, or got a message from him that it was not the propitious time to elect officers.

Mr. SMITH. Well, still I got that through Mr. Stuart and I don't know whether Mr. Stewart had even talked to Mr. Cross or not.

The CHAIRMAN. Do you have any doubt that Mr. Cross knew what was going on?

Mr. SMITH. I think that as president, he should have known what was going on.

The CHAIRMAN. I think so, too.

Senator McNAMARA. Mr. Smith, you made some reference to a teamsters contract and you indicated that Mr. Stuart said to you that you could not take less than the teamsters did in their contract, is that right?

Mr. SMITH. That is right, sir.

Senator McNAMARA. Does this imply then, that the teamsters had a similar contract for about the same wages?

Mr. SMITH. No, sir. I understand now, and this is hearsay because I am not with the teamsters and I don't know and I haven't been to Webster City since Easter, except for one time, and I heard that they got a pretty good contract, about the usual over-the-road Midwest teamster contract.

Senator McNAMARA. What would that indicate, \$1.50 or \$1.60?

Mr. SMITH. I don't know, sir.

Senator McNAMARA. You brought the teamsters into the thing by your remark, and so I was wondering if their employees were sold down the river to the extent that, apparently, the bakery workers were in this case. You don't have the answer?

Mr. SMITH. I don't have the answer.

Senator McNAMARA. All right.

Senator ERVIN. Mr. Smith, it was not very difficult for you to arrive at the conclusion that the Shefferman agency was trying to serve two masters; was it?

Mr. SMITH. I didn't know. I knew that there was a committee set up the year before to fight the packinghouse workers, but I didn't know the Shefferman agency had anything to do with that.

Senator ERVIN. You could tell though, that the Shefferman agency was professing to represent, or assist the union and also to assist the employer?

Mr. SMITH. I was told by Mr. Bromley that they were usually on the other side of the fence.

Senator ERVIN. They were on both sides here, were they not? Was there any difficulty in you seeing that the Shefferman agency was occupying what we call, a conflict of interest or a situation where their interests conflicted?

Mr. SMITH. Well, I didn't know the details of the business of Shefferman, as I said before, except what Mr. Bromley said, that they were usually on the other side of the fence.

That was the extent of my knowledge of it. I didn't know whether they were a legitimate labor-relations organization or what they did. I would assume from him saying that they were usually on the other side of the fence, that he felt like he was in a little conflict of interest.

Senator ERVIN. Thank you.

Mr. KENNEDY. The contract arrived, and the contract was sent up to you, three copies of it?

Mr. SMITH. Yes, sir.

Mr. KENNEDY. What was your reaction when you read the contract?

Mr. SMITH. It was one of disgust, disappointment, and just—I was almost ready to blow my top.

Mr. KENNEDY. Was it a terrible contract?

Mr. SMITH. Well, it is bad in several ways. Now, then, the money part wasn't enough, although I am not fighting with that too much as the other clauses that doesn't give the people any rights. They

have a right, but no backing and nothing to stand on when they go up there. There are clauses like the seniority clause.

Mr. KENNEDY. Do you want a copy of the contract?

Mr. SMITH. I have one here. It is unusual that a contract has the clause in there, or any that I have ever had anything to do with, section 4, on page 2:

Nothing in this agreement shall prohibit the company from granting wage increases for merit or other raises satisfactory to the company.

That takes away our bargaining rights. There was article 7, on seniority, which you read yesterday, which was discussed by one of the Senators, and very ably discussed, but he didn't mention any article on promotion by seniority.

Mr. KENNEDY. Would you read that, your problem with that one?

Mr. SMITH. It is article 4.

Mr. KENNEDY. Is that the one you are talking about?

Mr. SMITH. Yes, sir. No; it is article 7. That is on seniority. It is on page 4. It has no facilities in it for promotion, and still it is an "I like you" contract.

The CHAIRMAN. The first one you read took care of promotion.

Mr. SMITH. That is true, sir. I guess it did. The next one that was a blooper in my estimation was the one that was added and signed by Sid Carpenter for some reason on the back page, and, incidentally, I didn't read this one to the people at the meeting, and I wouldn't read it.

Mr. KENNEDY. Why wouldn't you read it?

Mr. SMITH. Just a few weeks previously I had some complaints that the people had heard rumors that their wage incentive was going to be taken away from them and that would hurt them if they got a raise.

I said, "Well, we will take care of that and we will see that isn't done." And so I called Mr. Stuart, and he said he would see to it, and that is all I heard of it until I got the contract.

The CHAIRMAN. What is that provision, I am not familiar with it?

Mr. SMITH (reading:)

In reference to the company's wage-incentive program, it is agreed that the administration, modification or discontinuance thereof shall be left to the discretion of the company.

Mr. KENNEDY. Now, as I understand it, the employees of the company had spoken to you and said that they were particularly anxious that a provision regarding wage incentive would remain in; is that right?

Mr. SMITH. Unless there was some other way of taking care of the difference in pay.

Mr. KENNEDY. So you spoke to George Stuart and you said, "Are you going to make sure that is taken care of?"

Mr. SMITH. And he said he would.

Mr. KENNEDY. Then this provision appeared in the contract so that the company could abolish that at will; is that right?

Mr. SMITH. That is right.

Mr. KENNEDY. So you had been sold down the river on that one, also?

Mr. SMITH. Yes.

Senator CURTIS. You say you did not read that to the employees?

Mr. SMITH. No, sir; I did not.

Senator CURTIS. Who did read it to them?

Mr. SMITH. That part of it, I don't guess anyone did, that last clause.

Senator CURTIS. So the contract in its entirety never was even submitted to representatives of the workers?

Mr. SMITH. Not that part, not that addendum there, the other part was.

Senator CURTIS. Of course, you have to see all of a contract to see a contract, that is rather elemental.

Mr. SMITH. Yes, sir.

Senator McNAMARA. Going back to that section 4, I did not quite get your point. Would you read it again?

Mr. SMITH. Section 4 is as follows:

Nothing in this agreement shall prohibit the company from granting wage increases for merit or other reasons satisfactory to the company.

Senator McNAMARA. What do you find wrong with that?

Mr. SMITH. Well, in a collective bargaining agreement, usually you at least discuss any raises to be given, and they are given with the consent of the union and not strictly on a merit or "pick out who they like" basis.

Senator McNAMARA. Are you saying now that in your union contracts you generally assume that you are not setting a minimum, but you are also setting a maximum pay. I understand generally the contracts set a minimum pay, and that the employer would be free at any time without that section of the contract to pay more than the minimum.

Mr. SMITH. Well, that is true. But it is understood and not written in there.

Senator McNAMARA. It is an unusual thing to put in a contract because it is generally assumed that this is a minimum condition of employment and the minimum wage, rather than the maximum. The way you state it, you are implying that you also establish the maximum and the company would not be allowed to pay an individual more. I do not think that that is generally the practice.

Mr. SMITH. I believe through, that it is generally the practice that any raises are the basis of negotiations, even though they are merit raises. If they have an agreement they are supposed to notify the union.

Senator McNAMARA. You think that there should be in the contract a prohibition against the employer paying more than the negotiated wage?

Mr. SMITH. No, sir; but I think the union should be notified of such.

Senator McNAMARA. Well, why?

Mr. SMITH. Because we should know what each person is getting. It just doesn't make for good relationship when you have one fellow working as a dough mixer over here getting \$1.50 and the boss likes this other guy because he is going fishing with him, and he gives him \$1.75.

Senator McNAMARA. I don't know why you should have any objection. I thought the job of the union was to see that everybody got——

Mr. SMITH. That isn't collective bargaining, sir.

Senator McNAMARA. Well, this clause that you read doesn't refer to the collective bargaining period. It refers to a continuation for the life of the contract. I don't quite get the point that you would object to somebody getting more money than had been negotiated.

Mr. SMITH. I wouldn't, but if we know about it then next year we try to get the other people up to where they are.

Senator McNAMARA. That is what I say. This would be to your advantage and I don't see why you would have any objection. I don't quite get the point.

The CHAIRMAN. I think I see one defect in it. You have two men mixing dough, or operating the same machine, doing the same identical work, and what you would object to from the standpoint of the union is just because the boss likes one of them he raises his wages 25 cents an hour and keeps the other one down at \$1.50 an hour.

Mr. SMITH. It is partiality.

The CHAIRMAN. That is the objection. Of course, it is part of the union function to see that they are all treated alike. Is that correct?

Mr. SMITH. That is right.

The CHAIRMAN. I see that objection to it. But I see no objection if the company can afford to pay more, to pay more, and I can't see that you would oppose that.

Senator KENNEDY. Mr. Chairman?

Senator ERVIN. It would cause dissatisfaction with the union among the employees if people were paid different amounts for identical work, wouldn't it?

Mr. SMITH. Yes, sir.

Senator ERVIN. Just like if the United States Senate paid some Senators more than they did others.

Mr. SMITH. I think we could probably organize them, then.

The CHAIRMAN. Senator Kennedy?

Senator KENNEDY. The reason that you were disgusted, is that because during the organization you were giving the people the impression that they would get more in the contract, or was it because this contract was not comparable with other contracts for similar work that you had negotiated and were familiar with? Was it both of those reasons or one of them?

Mr. SMITH. The first reason was in the way that it was handled, and then not having a chance to argue it out. I believe that the people out there would have probably been pretty well satisfied with this had they had an opportunity to sit in on collective bargaining and argue back and forth and have the company present their side and we present ours.

That is what I had told them would be done.

Senator KENNEDY. What about the details of the contract? How did it compare with other contracts for similar work and similar wage areas that you are familiar with?

Mr. SMITH. Senator Kennedy, this is the first frozen foods—it is not the first, but it is the first that I have had anything to do with, and as far as I know, there is only one other frozen pie plant that is affiliated with our international union, and that is in Alabama.

Senator KENNEDY. Is it customary in most of the contracts the bakers union has with the Continental Baking Co. to give them only 1 week's vacation after a year?

Mr. SMITH. Yes, sir; I believe that is right. One week.

Senator KENNEDY. And six paid holidays; is that right?

Mr. SMITH. That is right. Incidentally, they were getting those already at Webster City.

Senator KENNEDY. In other words, then, your chief objection to the contract are these specific provisions that you have named dealing with seniority and so on? Those are not usually in contracts that you are familiar with. You had 2 objections (1) that it was not negotiated by the workers with the management, and (2) that it had these provisions in it that, in your opinion, were not necessary, that were undesirable from the point of view of the workers, and would not have been in a contract if the workers and you had negotiated the contract. Is that correct?

Mr. SMITH. I would have objected very strenuously. Whether they would have gotten in or not, I don't know. But I would have objected to them.

Senator KENNEDY. You have charge of the southern region?

Mr. SMITH. I was the organizer.

Senator KENNEDY. Do any other contracts that have been under your supervision as organizer or that you are familiar with have language about like section 4, like wage increases for merit or other reasons satisfactory to the company, or providing that the skills and abilities of the employees are equal? Is there that sort of language anywhere?

Mr. SMITH. Well, Senator, section 4 is the first I had ever seen of that. The one on seniority usually has something about skills, but it also says skills and abilities being equal, seniority shall prevail, and usually there is some machinery setup to determine who shall determine the skills. It can be made a grievance.

Senator KENNEDY. That is all.

Mr. KENNEDY. You had a meeting on this contract; did you?

Mr. SMITH. Yes, sir.

Mr. KENNEDY. And had you expressed your dissatisfaction with the terms of the contract to others of the employees?

Mr. SMITH. We had the meeting on Sunday after I received the contract on Friday.

Mr. KENNEDY. Had you expressed, prior to the meeting, your dissatisfaction with the contract to a number of individuals?

Mr. SMITH. Not to any great number, because I hadn't contacted any great number. At the meeting, I only read the contract. I said "There it is. It is signed by George Stuart and George Faunce. It isn't what I think we should have."

There was no discussion, as I remember it. I said "I would like a motion to accept it," and the motion was made and it was accepted.

The CHAIRMAN. Part of it was never accepted?

Mr. SMITH. The last part was never accepted.

The CHAIRMAN. They never knew of it?

Mr. SMITH. Not at that meeting, no, sir.

The CHAIRMAN. They never knew of it before they ratified it?

Mr. SMITH. No, sir, not the last one.

The CHAIRMAN. Do you know when they learned about it?

Mr. SMITH. No, sir.

The CHAIRMAN. Do you know whether they learned about it until now?

Mr. SMITH. Well, they have changed, I understand, that section in there. Rather, they haven't changed it but they have changed their method of handling incentive, and it was agreeable. They did—the company did—allow the people to discuss the way it was set up, and I think it was acceptable to the people.

The CHAIRMAN. You felt like you couldn't read that last provision to them?

Mr. SMITH. That is absolutely right.

The CHAIRMAN. You would have been embarrassed to have done so?

Mr. SMITH. Yes, sir.

The CHAIRMAN. Because you had assured them that that kind of a provision wouldn't be in the contract?

Mr. SMITH. Yes, sir.

Mr. KENNEDY. In addition, on top of all this, the employees had to pay their union dues, did they not?

Mr. SMITH. We didn't start withholding, or getting checkoffs signed until—I believe the first one came out in March. I am not sure. February or March.

Mr. KENNEDY. Starting in February or March, the members had to pay what; \$3.50?

Mr. SMITH. \$3.50.

Mr. KENNEDY. \$3.50 per month?

Mr. SMITH. Yes, sir.

Mr. KENNEDY. Was there any initiation?

Mr. SMITH. Part of the first \$3.50 was the initiation fee. It was divided into a per capita tax to the international union, and the initiation fee.

Mr. KENNEDY. So they paid the \$3.50, and all they really got out of it was the 5 cents an hour increase for the first year? It was a 3-year contract. Did that surprise you that it was a 3-year contract?

Mr. SMITH. Yes, sir.

Mr. KENNEDY. When you say you were disgusted and discouraged and almost blew your top, it was almost because of the terms of the contract, was it not?

Mr. SMITH. The length of it.

Mr. KENNEDY. The terms of the contract and these 3 or 4 provisions that you have mentioned here today?

Mr. SMITH. That is right. And the length of it.

Mr. KENNEDY. And the length of the contract.

Would you describe this as a sweetheart contract?

Mr. SMITH. I don't know, I mean, it is not—

Mr. KENNEDY. I think it puts you in a difficult spot as an employee of the bakers' union. But, nevertheless, according to your testimony, and adding your testimony up—

The CHAIRMAN. Do you want to use another word? Subnormal? Will that help you any?

Mr. SMITH. I think it is not a good contract. Let's put it that way.

The CHAIRMAN. Is there anything further?

Mr. KENNEDY. That is all.

The CHAIRMAN. Thank you very much, Mr. Smith.

Call your next witness.

Mr. KENNEDY. Mr. George Faunce.

The CHAIRMAN. Will you be sworn, please? You do solemnly swear that the evidence you shall give before this Senate select committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. FAUNCE. I do.

**TESTIMONY OF GEORGE FAUNCE, JR., ACCOMPANIED BY HIS
COUNSEL, ROY M. ANDERSON AND THOMAS S. DAWSON**

Mr. Dawson. Mr. Chairman, yesterday I offered to file a statement from Mr. George Egger, the president of the old Morton Packing Co., and the man who is now in charge of the Morton Frozen Foods division of the Continental Baking Co. I was advised that it had to be in the form of an affidavit.

The CHAIRMAN. That is correct.

Mr. Dawson. I now have that same statement verified by Mr. Egger. I would like to offer it and put it into the record.

The CHAIRMAN. You may submit it and we will examine it. By the time this witness concludes, we will pass upon it.

Mr. Dawson. Also, Mr. Chairman, at this time I would like to request permission for Mr. Faunce to read that statement and a statement of his own at this time.

The CHAIRMAN. First, state your name, place of business and residence, and your occupation.

Mr. FAUNCE. George Faunce, Jr. I reside at Rye, N. Y. I am vice president, general counsel, and a director of Continental Baking Co.

The CHAIRMAN. You are a lawyer by profession?

Mr. FAUNCE. Yes, sir.

The CHAIRMAN. And you have counsel with you to represent you?

Mr. FAUNCE. Yes, sir.

The CHAIRMAN. Counsel, I believe, identified themselves for the record yesterday.

Mr. FAUNCE. They are representing the company.

The CHAIRMAN. All right. Let the record show the same counsel appearing today. The reporter has your names.

I understand you submitted a statement yesterday and this morning you made some changes in it.

Mr. FAUNCE. Yes, sir.

The CHAIRMAN. We would like to check it for just a moment.

I see nothing in the first 2 pages of the statement. The staff has checked the others. You will be permitted to read the statement.

This affidavit, is this identical with what you submitted yesterday in the form of a statement?

Mr. Dawson. It is.

The CHAIRMAN. I see no objection to it being read. You may proceed and read your statement first and then you may read the affidavit of Mr. Egger.

Mr. FAUNCE. Senator McClellan, may I read Mr. Egger's first and then mine?

The CHAIRMAN. If it makes any difference to you, you may. It doesn't make any difference to me.

Mr. FAUNCE. This is a statement by George Eggers.

I was president of Morton Packing Co. when the United Packinghouse Workers, CIO, attempted to organize the company's Webster City, Iowa, plant in 1955. I opposed this effort by the packinghouse workers union. My experience in the packing industry had convinced me that a contract with this union would endanger Morton Packing Co. and the jobs of some 300 persons employed by it.

Our company was small and not too strong financially, and was in the rapidly growing and somewhat chaotic frozen-foods industry. Were our employees to join the United Packinghouse Workers, I feared the effect, at least, would be to hamper our continued expansion which depended on efficient production. I had heard that Labor Relations Associates had done very effective work in similar situations, and, consequently, contacted the head of that organization, Nathan Shefferman.

It was arranged between us for representation by Labor Relations Associates on our behalf at Webster City to dissuade the workers in our plant there from joining the United Packinghouse Workers. When Morton Packing Co. acquired the Webster City plant in January 1955, it assumed all the obligations of the contract between the previous owners and the Amalgamated Meat Cutters Union, AFL, and, in fact, voluntarily improved its benefits.

The NLRB later determined that this union no longer represented the Webster City plant's workers and permitted the United Packinghouse Workers Union to proceed with their attempt to organize the plant. An election was held in November 1955, and our employees voted against accepting the United Packinghouse Workers as their representatives.

Subsequent to the organizing attempt of the United Packinghouse Workers and the election, the assets of Morton Packing Co. were transferred to Continental Baking Co. Recent newspaper reports erred in naming Morton Frozen Foods, Inc., which did not exist at the time Labor Relations Associates were retained. Morton Frozen Foods, Inc., was later created as a subsidiary of Continental Baking Co. and is now the Morton Frozen Foods division of that company.

Our Webster City plant manager at the time of the United Packinghouse Workers organization was Keith Binns, who has been subpoenaed by the committee and who can supply details with which I am not familiar.

That is signed by George E. Egger.

(At this point Senator McClellan and Senator Curtis withdrew from the hearing room.)

Senator McNAMARA (presiding). Was this signed by Mr. Egger in the presence of this notary? It doesn't have the usual notary form.

Mr. DAWSON. Yes. I know that it was. I was not present when it was signed. I called Mr. Egger in Philadelphia and told him that the statement had to be verified and to go before a notary public and verify it. He said that he did. It was sent back here. I am certain that that is true.

Senator McNAMARA. Mr. Kennedy, do you have any objection to it?

Mr. KENNEDY. No.

Senator McNAMARA. There is no objection to it being entered into the record. Without objection, it is so ordered.

You may proceed with your statement.

Mr. FAUNCE. Thank you.

At the very outset I want to make it clear, beyond any possibility of doubt or misunderstanding, that Continental Baking Co. had nothing to do in any respect with the Morton Packing Co. in its operations at Webster City, Iowa, or anywhere else, before December 1, 1955. This was after the United Packinghouse Workers of America had been rejected by the Morton Packing Co. employees.

This fact is of vital importance. Any testimony that connects Continental with any part of the period during which the former Morton

Packing Co. was opposing organization of its Webster City plant is erroneous.

On December 1, 1955, Continental Baking Co. purchased all the assets of Morton Packing Co. These assets were immediately transferred to a newly created subsidiary, Morton Frozen Foods, Inc. On October 1, 1956, Morton Frozen Foods, Inc., became the Morton Frozen Foods division of Continental Baking Co.

This is the first chance afforded an officer of the Continental Baking Co. to testify before this committee. I must refer to the fact that Senator John F. Kennedy, of this committee, yesterday made the assertion:

I do not think there is any doubt but that the actions your company took in this case were unfair labor practices.

Senator KENNEDY. Mr. Faunce, at that point, I may have to leave before you finish. On page 135, Mr. Binns, your employee, manager of that company, stated yesterday in answer to a question I asked Mr. Binns, who works for Morton and, therefore, works for Continental:

Do you not assume that Mr. Kitchin had some consultation with the governing officials, the responsible officials of Continental Baking about this matter?

Mr. BINNS. Yes, sir.

Senator KENNEDY. You do assume that?

Mr. BINNS. Yes, sir.

Senator KENNEDY. So you assume that, some place in the company, Mr. Kitchin talked with someone who had read the Taft-Hartley Act, who must have been familiar with the fact of whether the practices you were carrying out were unfair labor practices or not?

Mr. BINNS. I would assume that.

Senator KENNEDY. In other words, we must assume that Mr. Kitchin, who supervised your action, was aware, and Continental Baking Co. was aware, that what they were doing were unfair labor practices?

Mr. BINNS. As far as I am concerned, yes.

Senator KENNEDY. I have no doubt that they were unfair labor practices.

Your own employee, Mr. Binns, agreed with the same position.

Mr. FAUNCE. Well, I disagree with him, and I disagree with you, if I may.

(At this point Senator McClellan entered the hearing room.)

Senator KENNEDY. I agree that your company has no responsibility, as far as the efforts to keep out the United Packing. There is also the section of the Taft-Hartley which also prohibits any company from interfering in favor of any union. I don't think that there is any doubt that the Continental Baking Co. and its subsidiary, the Morton Co., did just that, and that that is an unfair labor practice. I also stated here at that time that this was a decision, however, that the National Labor Relations Board had to meet, but there was nothing to prevent me from reaching my own conclusion, that you were guilty of an unfair labor practice.

Mr. FAUNCE. The only point I want to make I will make with finishing this paragraph. Whether this prejudgment is true can be properly left to the National Labor Relations Board's regional office in Minneapolis, where the matter is pending.

Senator KENNEDY. If you will remember, on that same page that I just read, I stated that the final decision must be reached by them. I stated my own.

Mr. FAUNCE. I should like to make two basic points, if I may.

The CHAIRMAN. All right.

Mr. FAUNCE. Whether this prejudgment is true can be properly left to the National Labor Relations Board's regional office in Minneapolis, where the matter is pending.

I should like to make two basic points regarding the labor relations of the Morton Frozen Foods division:

Point 1: When Continental acquired the assets of Morton Packing Co.—and only then—the long-time policy of Continental, of recognizing and dealing with all unions representing its employees, became the policy of Morton Frozen Foods.

Point 2: Wages were raised. Rates paid compare favorably with wages in the industry generally and with wages paid persons doing similar work in the area. I submit a table with this statement which illustrates this fact, as a supplement to this statement.

In the press as well as in public questioning, your committee counsel has implied improper motives for a sudden change in the Morton management's attitude toward unions. He has neglected to make it clear that the management of the company itself had changed, that Morton Packing had one attitude and Continental Baking had another. Is it really so amazing that a company with 80 plants organized by a union should accept organization by that union in an 81st?

I would like to proceed to a chronology of the events on which I assume your committee would like to be informed. I shall be as brief as possible.

MEMORANDUM SUPPLEMENTARY TO STATEMENT OF GEORGE FAUNCE, JR., OF
CONTINENTAL BAKING CO.

Comparison of wage rates paid by Morton and other employers in the industry

MORTON

	Start	Notes
Dec. 1, 1956:		
Female starting rate.....	\$1. 05	After 30 days (incentive).
Male starting rate.....	1. 05	After 90 days \$1.09 plus incentive.
Aug. 17, 1957:		
Female.....	1. 15	This is for all production workers.
Male.....	1. 15	Boning is still on incentive. Some nonproduction workers got an adjustment of 5 cents an hour in lieu of incentive.

BIRDSEYE (GENERAL FOODS)?

	Start	Recent contract (1957)	Notes
Pocomoke, Md., Feb. 26, 1956:			
Female.....	\$1. 05	\$1. 14	AFL, Butcher Workers.
Male.....	1. 08	1. 14	

SWANSON (CAMPBELL SOUP CO.)

	Start	60 days	Notes
Fremont, Nebr.:			
Female.....	\$1. 05	\$1. 15	Nov. 5, 1956: AFL, Butcher Workers.
Male.....	1. 15	1. 25	
Fayetteville, Ark.:			Do.
Female.....	1. 02	1. 12	
Male.....	1. 08	1. 18	

*Comparison of wage rates paid by Morton and other employers in the industry—
Continued*

PRODUCE DIVISION

	Start	45 days	90 days	Notes
Worthington, Minn.:				
Female.....	\$1.00	\$1.03	\$1.12	Nov. 5, 1956: Teamsters.
Male.....	1.125	1.175	1.285	

BANQUET CANNING

	Start	Notes
St. Joseph, Mo.:		
Female.....	\$1.10	Nonunion
Male.....	1.15	

SWANSON

	Start	60 days	Notes
Omaha:			
Female.....	\$1.09	\$1.19	Oct. 29, 1956: AFL-CIO, Butchers.
Male.....	1.29	1.39	
Tecumseh, Nebr.:			
Female.....	1.05	1.15	Nov. 5, 1956. AFL-CIO, Butchers.
Male.....	1.15	1.25	
Salisbury, Md.:			
Female.....	1.14	1.14	March 18, 1957.
Male.....	1.11	1.14	

WAGES PAID AT POULTRY EVISCERATING PLANTS IN IOWA

	Start	Notes
VILAS, INC.		
Storm Lake:		
Female.....	\$1.00	United Packing House Workers of America, CIO.
Male.....	1.10	
ELLSWORTH TURKEY CORP		
Ellsworth:		
Female.....	1.00	Nonunion.
Male.....	1.10	
OCOMA FOODS		
Carroll:		
Female.....	1.03	(1).
Male.....	1.05	
BREMER PACKING CO.		
Waverly:		
Female.....	1.00	(1).
Male.....	1.00	
PAUL GREY		
Esterville:		
Female.....	1.04	Nonunion.
Male.....	1.04-1.10	

¹ These plants have unions, but the name of the union was not stated.

WAGES PAID BY COMPANIES OF COMPARABLE SIZE IN WEBSTER CITY

	Start	60 days	Notes
NISSEN PACKING			
Female.....	\$1.00		
Male.....	1.00		
NORDEN INDUSTRIES			
Male.....	1.10	\$1.35	Nonunion.

(At this point Senator Kennedy left the hearing room.)

Mr. FAUNCE (reading):

Morton Frozen Foods division, at its plants in Webster City, Iowa, and Crozet, Va., produces frozen meat pies, chicken and turkey pies and fruit pies. The division continues the business of the former Morton Packing Co.

In June of 1955 the United Packinghouse Workers, CIO, had attempted to unionize the employees of Morton Packing Co. at Webster City.

The president of Morton Packing Co. at that time was George E. Egger of Louisville. Mr. Egger, who was also Morton's largest stockholder, came to Continental with Morton. He continues to head the activities of that division.

Mr. Egger has sent this committee a statement of his reasons for retaining Nathan Shefferman; this occurred long before we entered the picture.

The packinghouse workers' campaign was unsuccessful. Employees at the Webster City plant voted for no union in preference to the packinghouse workers. Continental was not involved in this election, as it had not then acquired Morton.

When Continental did acquire the assets of Morton Packing Co., Mr. Shefferman was still on a \$200-a-month retainer from Morton Packing Co. In addition to being vice president and general counsel of Continental Baking Co., I also supervise the company's labor relations. Without reference to Mr. Shefferman's qualifications, I told Mr. Egger that I had my own staff. Mr. Egger proposed that Mr. Shefferman continue as consultant to the Morton division for another year.

Since Mr. Egger remained in general charge of the Morton division, and Morton was such a distinct unit of Continental's operations, I deferred to the request. Mr. Shefferman's retainer continued until last April, when he was finally notified that the arrangement was ended.

To get back into chronological order, Mr. Shefferman, or members of his organization, did perform one more task for the Morton Frozen Foods division—specifically, to undo some of his previous work. This was in the summer of 1956 when the Bakery and Confectionery Workers International Union was trying to organize the Webster City plant.

The organization campaign of the bakery and confectionery workers—hereafter I shall call it the B. and C., as it is known in the industry—began about May 14, 1956, when our company received a letter from James Cross, president of B. and C., claiming jurisdiction for his union over employees of the Webster City plant, and saying that they intended to try to organize.

It should be pointed out that B. and C. had long since organized all but 1 of the 80 bakeries of Continental outside the Morton Frozen Foods division. That one exception is a bakery in Indianapolis, organized by a CIO union. Although the first contract between Continental and the B. and C. union goes back half a century, the major organizing effort of B. and C. began about 1936. Relations have existed ever since between the company and the union under the leadership successively of Andrew Myrup, Herman Winter, William Schnitzler, and James Cross, as each became president of B. and C.

As the National Labor Relations Board observed in a decision and order handed down on June 17, 1952:

"Continental's policy is to bargain collectively through local employer associations wherever possible, and to abide by the terms of agreements reached by such groups. * * * Employer associations of which Continental is a member have bargained on a multiemployer basis with various labor organizations for from 4 to 50 years."

Furthermore, the contracts finally negotiated must be the same for all companies in the bargaining group. No one can obtain any preference over another.

Continental has long recognized the right of its workers to organize. We have shunned any maneuvers to stall, obstruct, or prevent organization where it has been desired by our employees. We have not resorted to unnecessary labor board elections or other devices to delay recognition where we know the majority of our employees desired union representation.

Ours has been a deliberately constructive policy, and we believe a successful one. This does not mean that the union and our company have not been in conflict on many issues. As an example, the quotation I have just read from the National Labor Relations Board's decision grew out of a very vigorous fight by the B. and C. union to compel Continental to bargain with it on a national, companywide, single-contract basis. In 1951 Continental defied a threat by the B. and C. to strike 37 of its plants to force nationwide bargaining.

In 1952 the company obtained a decision from the National Labor Relations Board which rejected the union's demand for national, companywide bargaining

and which sustained Continental's position that collective bargaining in the baking industry should continue along the historical and logical lines of local multiemployer bargaining.

As a result of the Labor Board's decision, Continental continues with all other baking companies which, over the years, have bargained with the B. and C. and other craft unions on a locality or area group basis. Continental is only 1 member of these groups which vary in size from 2 baking companies to 15 baking companies in different marketing areas of the country.

Under the rules which control this multiemployer bargaining, Continental is always bound by the decisions of the majority of the companies constituting any particular group. Continental, therefore, cannot and does not control the contract negotiations with the B. and C. or any other unions.

Furthermore, the contract finally negotiated is the same for all of the companies in the group. In addition, while Continental is a large baking company, its volume represents less than 8 percent of the product of the entire baking industry, and the union's contracts with the rest of the industry most frequently sets the patterns Continental is required to follow.

When the B. and C. began organizing the Morton employees in Webster City in 1956, they found the employees who had supported the company in its previous campaign opposing the packinghouse workers still resisting any union organization. The packinghouse workers were no longer in the picture. As a matter of fact, there were no organizing activities by that union at Webster City from their defeat 1955 until sometime in 1957, after your committee began its current series of hearings.

Local plant officials in Webster City knew, of course, that the new top management would not resist unionization—was, in fact, accustomed to collective bargaining. So the assistance of Mr. Shefferman, who was still on retainer to the Morton division, was enlisted to help correct the impression that Morton was still antiunion.

I have no direct knowledge or information regarding the Shefferman organization's activities in Webster City. My only request to Mr. Shefferman was to indicate to employees that the new management was not going to resist unionization in a small plant in Webster City by a union which represented its production workers throughout the country.

Thereafter, in late October or early November of 1956, George Stuart, vice president of the B. and C., called and told me that a majority of the workers had signed B. and C. membership cards. I was satisfied to rely on this statement. A contract was signed on November 19, 1956.

The contract benefits included:

A 15-cents-an-hour average package increase for each worker;

Plus the protection of a guaranteed wage rate in place of an uncertain incentive plan;

Plus a contractually guaranteed vacation of 2 weeks after 1 year, which is more than many contracts in the baking industry;

Plus the translation into writing of many other benefits the workers earned over the years, but never before had in the security of an ironclad contract;

Plus the right to reopen negotiations for wage increases after 2 years, which could be used for pension or health and welfare benefits.

Of more concern to me and to the company right now are the absurd assertions going around that the arrangement with B. and C. at Webster City is a so-called sweetheart contract. This term, which this committee has used in connection with these hearings seems, as far as I can ascertain, to mean a contract with these characteristics:

1. The contract is signed with a "phony" union in order to keep bona fide unions out.

2. The contract carries substandard provisions, as compared with those granted other plants in the area or the industry.

3. In return for granting such an advantageous contract, union officials are paid off.

Let us match the Webster City contract with the B. and C. against these standards:

1. There was no need for the Morton division to sign such a contract, since the packinghouse workers had been defeated in an NLRB election in 1955 and, in fact, did not reappear on the scene until after this committee began its investigations in 1957. Nor was there any other union on the scene at the time.

2. Wage and other benefits of the Webster City contract, as set forth above, are by no means substandard. The site of the plant is a Midwest town of 8,000 population and the wages paid at the Morton Frozen Foods division factory

are going wages or a little better. They attract a good class of labor in sufficient numbers to operate the plant efficiently.

The hard fact is that on purely economic grounds a strong case could have been made for no wage increase. At the time this contract was signed, the industry had for many months been engaged in a bitter price war and the Morton division was operating deeply in the red. Indeed, the Webster City employees would not have received any increase at all if the B. and C. had not succeeded in organizing them.

3. The insinuation that Continental has bought union favors is slanderous and unwarranted to the point of being ridiculous. Only total ignorance of the true bargaining situation of such a baking company as Continental, willful disregard for the truth, or both, could even nerve anyone to make such a statement. This is neither the fact in this nor any other instance. It is completely untrue.

Webster City is 1 plant, employing only about 300 persons. Continental as a whole employs some 20,000 persons of which roughly 6,000 are represented by the B. and C. No company with 15,000 union employees would depart from a successful labor-relations policy to obtain an insignificant advantage in a contract with 2 percent of them. In the same NLRB decision and order that I previously quoted, the Board says:

"Wages, hours, and working conditions for Continental employees have been fixed primarily not by Continental, but by the local area bargaining associations to which Continental belongs. Most of these associations make their decision by majority vote. Continental has always accepted the decision of the majority, even when outvoted."

Our settlements and our strikes have been similar to all the bakers in the industry. In the past 6 years, the B. and C. has conducted 24 strikes against associations which include Continental.

The company's relationships today with the B. and C. are exactly what they have been for at least the last 20 years. As an outgrowth of this relationship we have succeeded in establishing industrywide national pension and welfare funds into which the employers are now paying some \$10 million a year. The administration of these funds, which your committee has scrutinized, is above reproach. By election of the industry members, I am a trustee and secretary of the boards of both these funds. James Cross, as union president, is chairman of both boards.

Between meetings of the boards, the bylaws repose management and administrative decisions in Mr. Cross and me.

Gentlemen, I am here to answer your questions and help to the best of my ability and knowledge to develop all the facts.

I thank you very much for your courtesy in permitting me to read this statement.

The CHAIRMAN. I just noticed one thing here on the last page I would like to ask you about, and then I will let counsel proceed.

As I recall, there was no mention of a welfare fund provision in this contract.

Mr. FAUNCE. In this contract there is a provision that at the end of 2 years, wages shall be opened and discussed, and if conditions warrant, the increase can be put in wage rates, pension funds, or health and welfare fund as the union chooses.

The CHAIRMAN. Mr. Faunce, there is no provision in here now. They are paying no pension or welfare fund. They are getting no benefit. They are not a part of such a contract. There is no provision paid for it. You say in 2 years from now you will talk about it again, but that, of course, doesn't assure that it will be provided. Is that correct?

Mr. FAUNCE. That is correct. The company couldn't afford it.

The CHAIRMAN. This company, the workers here, do not get the same benefits that the others are provided in any other contract, apparently. That is what appears to be the situation.

Senator McNAMARA. I would like to ask for an interpretation of the phrase you use of "if conditions warrant." Is that in the judgment of the company?

Mr. FAUNCE. That is sitting down and discussing whether that company is able then to afford financially a wage increase.

In November 1956 it was in very bad shape from the point of view of profits. It is still in trouble. It may be in trouble in 1958 or may not. That is one of the circumstances which would be considered.

Senator McNAMARA. Now you raise another question. Sitting down with whom?

Mr. FAUNCE. Sitting down with this union, this local union.

Senator McNAMARA. The local union?

Mr. FAUNCE. The one with whom we have a contract.

Senator McNAMARA. That will be a new day, because you have never sat down with them yet, even though you have a 3-year contract.

Mr. FAUNCE. We didn't sit down with them in 1956. There was no local union.

Senator McNAMARA. There was no local union because they had the signatures of the majority of the employees?

Mr. FAUNCE. That is right.

Senator McNAMARA. There was or there wasn't? Which? You can't have it both ways.

Mr. FAUNCE. I was informed that no local had actually been organized.

Senator McNAMARA. That suited your position at that time. That is for sure.

Mr. KENNEDY. If there was no local, why did you sign a contract with the bakers' union?

Mr. FAUNCE. I signed a contract with the bakers' union because a demand had been made on us by the B. and C. for jurisdiction in that plant.

Mr. KENNEDY. If you had no people out there, or no local that was in existence out there, why did you sign a contract?

Mr. FAUNCE. I was informed that they had a majority.

Mr. KENNEDY. Don't you think that the people should make the choice, Mr. Faunce, and not you and Mr. Cross or you and Mr. Stuart?

Mr. FAUNCE. I think that normally you make a contract with a union leader. You don't make a contract with a mob of people.

Mr. KENNEDY. That is not a mob of people, Mr. Faunce. It is a group of people. It is no mob of people. It is people that were working in one of your plants.

Mr. FAUNCE. Yes.

Mr. KENNEDY. What do you mean it is a mob of people?

Mr. FAUNCE. They can only function through their leaders.

Mr. KENNEDY. Yes, and they had some leaders. They could have elected leaders out there, could they not?

Mr. FAUNCE. They could have.

Mr. KENNEDY. But you chose to do it with Mr. Cross. Is he a little bit above them? Is that it? Is that why you wanted to work with him?

Mr. FAUNCE. I don't know whether he is above them or not.

Mr. KENNEDY. Above the mob?

Mr. FAUNCE. He is above them officially.

The CHAIRMAN. Mr. Faunce, the first paragraph of the contract itself says:

This agreement is made and entered into between the Morton Frozen Foods, a division of the Continental Baking Co., Webster City, Iowa, hereinafter referred to as the company, and Webster City, Iowa, Bakers Local No. 449.

MR. FAUNCE. That apparently was the number of the local that was to be proposed to be created.

The CHAIRMAN. Then they had a local?

MR. FAUNCE. I don't know whether it was in existence at the time. They had a number.

The CHAIRMAN. You always know whether something is in existence before you make a contract.

MR. FAUNCE. I, as you know, signed the contract, and Mr. Stuart signed the contract on behalf of the local.

The CHAIRMAN. Apparently it was just an arrangement between you and Mr. Stuart. The men down there, the working people, had nothing to do with it. They were not consulted. The contract was prepared and shipped down there to them, and they had to either take it or leave it. Apparently that was the situation they were in. This doesn't appear to me to be a negotiated contract between the local or the local's leaders and your company.

MR. FAUNCE. It was not. It was negotiated in another way.

The CHAIRMAN. That is correct.

MR. FAUNCE. If you would like me to explain it, I will explain how it was negotiated.

Senator ERVIN. Let me see if I understand it. At the time that Morton Frozen Foods became a subsidiary of your company, Mr. Shefferman's agency was on retainer by the Morton Frozen Foods?

MR. FAUNCE. By the Morton Packing Co.

Senator ERVIN. And he was kept on retainer by the Morton Frozen Foods division after it became a subsidiary of your company?

MR. FAUNCE. After I had suggested that his services be discontinued, and Mr. Egger asked me to keep him. I agreed.

Senator ERVIN. He was employed specifically to make it very clear to the employees in Webster City that your company desired them to organize a local falling under the jurisdiction of the union headed by James Cross?

MR. FAUNCE. He was hired, as far as I am concerned, or sent there—I never hired him. He went to Webster City, as far as I am concerned, and the only conversation I ever had with him was to make sure that we didn't have a group of people in our company, now Continental Baking Co., as violently antiunion as I was led to believe they were, from the top down. In that company, they were opposed to unions.

In the interest of our long-term labor relations with the B. & C., I could see only trouble if we had a group of people where we were likely to get into fits with this union, which is a tough union and has struck us many times. I wished to avoid that.

Senator ERVIN. So in order to avoid that, Mr. Shefferman, acting on behalf of the subsidiary, undertook to persuade the employees in the Webster City plant to form a local which was to become a part of the international union headed by James Cross?

MR. FAUNCE. I only knew what Mr. Shefferman did in Webster City, or his agents, pursuant to my instructions. I have heard testi-

mony that he signed up people. That was never contemplated for one instant in my instructions to him.

Senator ERVIN. Mr. Faunce, you did desire, as the labor-relations official of your company, you did desire that this subsidiary should be organized by the union headed by James Cross?

Mr. FAUNCE. Let me put it this way.

Senator ERVIN. Wait a minute. That question is clear.

Mr. FAUNCE. I did not desire that. I did not desire or want that our company should become involved in any struggles with the B. & C. in other localities in our bakeries because they found an antiunion attitude in that one plant.

Senator ERVIN. Read the question to Mr. Faunce. I believe that is a very simple question and can be answered very simply.

(Question read.)

Mr. FAUNCE. I did not desire it. I felt that it was to the advantage of our labor-relations policy, nationwide over a long period of time, not to be involved in a fight with them. I wanted the minds of our people to be clear of antiunion prejudice.

Senator ERVIN. Do you mean to tell this committee that you didn't desire to bring about something which you thought would be for the benefit of your company?

Mr. FAUNCE. It would have been for the benefit in the merchandising sense because we were on scab lists.

Senator ERVIN. I am asking you the question if you, as the labor-relations official of your company, in charge of labor relations, didn't desire that this subsidiary should be organized by the union with which you had been on other contracts.

Mr. FAUNCE. I did not want to oppose it.

Senator ERVIN. Were you neutral? Were you trying to tell this committee that you were neutral, that you neither desired it nor opposed it? You didn't want to oppose it?

Mr. FAUNCE. I felt it was to the best interests of the company that we not get into any fights with this union because of antiunion attitude of our employees at Webster City.

Senator ERVIN. This union had notified you, Mr. Cross notified you, that he wanted to organize the subsidiary, had he not?

Mr. FAUNCE. That is right.

Senator ERVIN. Do you mean to tell me that you didn't desire that he do so?

Mr. FAUNCE. I did in the sense that I wanted to avoid future troubles in other plants. If you want me to use the word "desire," yes, in that sense.

Senator ERVIN. I am wondering why you are so reluctant to admit a self-evident proposition.

Mr. FAUNCE. Well—

Senator ERVIN. Let's understand each other now, if we can. You, as the official of your company in charge of labor relations, did desire for this subsidiary to be organized by the international union headed by Mr. James Cross?

Mr. FAUNCE. In order to avoid troubles in other places.

Senator ERVIN. Well, you desired it.

Mr. FAUNCE. I would like to state my purposes for desiring it. I think I am entitled to that.

Senator ERVIN. You did desire it, though.

Mr. FAUNCE. For that purpose.

Senator ERVIN. Yes.

Mr. FAUNCE. All right.

Senator ERVIN. So Mr. Shefferman, or his agency, not only received a retainer of \$200 from Morton Frozen Foods division of your company, but they received other remuneration to send men down there to aid in bringing about this unionization, didn't they, by Mr. Cross' union?

Mr. FAUNCE. They were not, as far as I have any knowledge, sent down there for any such purpose. They were sent, as far as I am concerned, to cure the minds of those people who the year before had become antiunion, to make them understand that our company is not antiunion.

Senator ERVIN. Let me understand it. Are you telling the committee that it was wholly immaterial to you, that you wanted Mr. Shefferman's agency just to make it clear to these people that your company wasn't opposed to unionization, and that it was immaterial to your company whether the United Packinghouse Workers Union or Mr. Cross' union or some other union organized them?

Mr. FAUNCE. My instructions to him and the purpose for which he went there, as far as I was concerned, was to let the employees know that the new boss was completely different in its treatment of labor unions than the old one. We did not want that frame of mind in any of our employees.

Senator ERVIN. And that you were perfectly neutral in your attitude toward all labor unions, and that the employees could join whatever union they desired?

Mr. FAUNCE. That is right.

Senator ERVIN. And that you were not interested in Mr. Cross' union organizing them as distinguished from any other union?

Mr. FAUNCE. Are you talking about my relations with Shefferman on this subject?

Senator ERVIN. I am talking about what Shefferman was employed for. He was employed, you say, to make it clear that there was no longer any opposition to unionization on the part of your company?

Mr. FAUNCE. That is right.

Senator ERVIN. And you wish to tell the committee that your company was entirely neutral in the matter and didn't care what union organized them?

Mr. FAUNCE. Well, all other things being equal, obviously this company is better off in dealing with all of its inside workers with a union with whom it has had these relations. Our theory of labor relations is not a cat and dog fight constantly. We think if we can know what other people think, and they know what we think, we can do better in our labor relations. We don't think we could do as well with a split all through our plants.

Senator ERVIN. I thought that was very obvious. That is the reason why it is rather unclear to me why you were reluctant to admit what is obvious.

Mr. FAUNCE. I didn't know the basis of your asking. That is the fact. We may be wrong about our policy, but that is it.

Senator ERVIN. The thing that was obvious to me, or the inference that I have drawn, is that your company was desirous of having this plant unionized by the international union headed by James Cross to the exclusion of any other union.

Mr. FAUNCE. That union, regardless of who heads it.

Senator ERVIN. Well, it was this particular union.

Mr. FAUNCE. It wouldn't make any difference who was the head of it, whether we desired to have it.

Senator ERVIN. I was using Mr. Cross' name rather than the letters B. and C.

Mr. FAUNCE. O. K.

Senator ERVIN. Your company was desirous of having the B. and C. organize this plant to the exclusion of other unions, and to facilitate that, the Morton Frozen Foods division employed the Shefferman agents to come down there and assist in that undertaking; isn't that so?

Mr. FAUNCE. I did not have any knowledge of any assistance being given in any way to the organizing effort by Shefferman.

Senator ERVIN. Your idea was that all that Mr. Shefferman was to do was to go down there and make it plain to these people that your company was not opposed to unionization and that they could do just exactly what they pleased and he was not to try to work for the benefit of one union over another?

Mr. FAUNCE. That is exactly correct. When any group of people or employees, nonunion, believe that the boss doesn't want a union, they are very likely to go against you. We don't want that in our plants. We would like them to be neutral, but we don't want them to be the way they were when we bought this.

Senator ERVIN. That is all.

Senator McNAMARA. Continuing that same line, on page 2 of your statement, the bottom part, the next to the last paragraph, there you raise a question.

Is it really so amazing that a company with 80 plants organized by a union should accept organization by that union in an 81st?

I think the amazing part of this is that the same management of this Morton plant had hired the Shefferman Co., whatever their official title is, up to December 1, when you took it over, to prevent organization of the plant, and then when you took it over the job was to encourage organization of the plant. I think that is the most amazing situation.

Mr. FAUNCE. That was the job that Continental wanted done. The job that Morton Packing wanted done——

Senator McNAMARA. This is the job that your manager wanted done. You took over the management of this plant and you left the same man in charge who had hired this agency to see that the plant was nonunion; you took him over with his labor relations policy, his labor relations agency, and you continued the same man as manager and you continued the same agency to do exactly the reverse.

Before December 1 he was supposed to keep the plant unorganized. That was his job. That was what he was hired for. But the same manager who hired him to do that, after December 1, his job was then to sell organization of the union.

Mr. FAUNCE. Because the company's policy had changed, and we wanted everybody in it from Egger on down to change.

Senator McNAMARA. You raised the question of "Is it amazing?" To me it is really amazing, in answer to your question.

The CHAIRMAN. Mr. Faunce, there is one other thing about the contract that I have observed. So as to make the record clear, we have now established definitely, I think, by your testimony, that there was a local union, No. 449, at the time this contract was made. I note it is signed Morton Frozen Foods, a division of Continental Baking Co., by Sidney G. Carpenter.

Mr. FAUNCE. What contract are you referring to, Senator?

The CHAIRMAN. I am sorry.

Senator McNAMARA. Who did sign for the company, Mr. Chairman?

The CHAIRMAN. There are two different signatures. The contract was first signed by George Stuart, international vice president, and then by Mr. Faunce. By you; is that correct?

Mr. FAUNCE. That is correct.

The CHAIRMAN. I was looking at this rider that was attached to it. That was signed on the 8th of March 1957. I notice it is signed by Mr. Carpenter, representing the Frozen Foods Co., and signed by Henry S. Alvino, vice president of Webster City, Iowa, Bakery Union, Local No. 449. He is not the vice president of that union, is he?

Mr. FAUNCE. I don't know what his office is.

The CHAIRMAN. Isn't it true that he is vice president of the international, and George Stuart's assistant?

Mr. FAUNCE. I don't know whether he is George Stuart's assistant or not.

The CHAIRMAN. The point I am making is that apparently this local union was never really dealt with, but all of the dealings were with the international. That is one of the practices here—

Mr. FAUNCE. If you will permit me, Senator—

The CHAIRMAN. I am raising a question here for the record. You make a contract with a local union, but actually, in fact, you are making a contract with the representatives of the international. The local people in this instance, apparently, had nothing—

Mr. FAUNCE. Will you permit me to explain that?

The CHAIRMAN. Go right ahead.

Mr. FAUNCE. You have just mentioned a rider in March of 1957. Subsequent to that, there were two things done directly with the local union. A series of interpretations of this contract were made and agreed upon between the local management and the local union people about questions which had arisen in the administration of the contract which were bothering the people.

They were adjusted, and I think there were 8 or 9 points that were cleared up on various interpretations. Also, subsequently, in August of 1957, there were direct discussions and negotiations at the local level, at which time the incentive plan was eliminated, and the benefits of the incentive plan were translated into the wage rate. That is necessary to complete the picture of the local as against top-level bargaining.

The CHAIRMAN. You signed the original contract?

Mr. FAUNCE. Yes, sir.

The CHAIRMAN. Did you ever negotiate with any officer or member of local 449?

Mr. FAUNCE. No, sir, unless the people that I did were officers, and I don't know whether they were or not.

The CHAIRMAN. So, actually, the contract was negotiated with the international.

Mr. FAUNCE. That is correct.

The CHAIRMAN. The local did not participate in the negotiations?

Mr. FAUNCE. No, sir.

The CHAIRMAN. And other than international officers, no member of that local participated in the negotiation of the contract with the company?

Mr. FAUNCE. But I understand they approved it.

The CHAIRMAN. I understand that. I think we developed how they approved it. They approved only part of it. I believe part of the contract wasn't read to them.

Mr. FAUNCE. Well, that was not the company's business. If Merle Smith didn't read the rest of it, that is his business.

The CHAIRMAN. I understand.

Senator McNAMARA. I have further questions, Mr. Chairman.

The CHAIRMAN. I thought we would recess at this point.

The committee will stand in recess until 2 o'clock.

(Those present at time of recess: Senators McClellan, McNamara, and Ervin.)

(Whereupon, at 12:40 p. m., the select committee recessed, to reconvene at 2 p. m. the same day.)

AFTERNOON SESSION

The CHAIRMAN. The committee will be in order.

(Members of the select committee present at the convening of the session were Senators McClellan and Ives.)

Mr. KENNEDY. Mr. Faunce, I wanted to ask you a few questions about this statement, prior to moving on to other things.

TESTIMONY OF GEORGE FAUNCE, JR., ACCOMPANIED BY HIS COUNSEL, ROY M. ANDERSON AND THOMAS S. DAWSON—Resumed

I notice here on page 7 you state, giving a list of the benefits enumerated in the contract, "A 15-cent-an-hour average package increase for each worker." That is 15 cents an hour for the first year?

Mr. FAUNCE. That comes from the 5-cent-an-hour increase which was given immediately, plus an average 10 cents translating the incentive plan.

Mr. KENNEDY. What do you mean by that?

Mr. FAUNCE. There is five for each year. Let me correct that. There is 5 cents for each year.

Mr. KENNEDY. Is that what you have in mind with this 15 cents?

Mr. FAUNCE. Yes, sir.

Mr. KENNEDY. So it is 15 cents an hour over a period of 3 years?

Mr. FAUNCE. That is correct.

Mr. KENNEDY. I think that would have been rather an important addendum to place in here, in your summarizing what the benefits of the contract are. I think 15 cents for 3 years is different from 15 cents for 1 year.

Mr. FAUNCE. This is an average package increase.

Mr. KENNEDY. An average package increase for 3 years? I think it is pretty important.

Mr. FAUNCE. Over the terms of the contract it was 15 cents an hour.

Mr. KENNEDY. You have here, "plus a contractually guaranteed vacation of 2 weeks after 1 year."

Mr. FAUNCE. Well, in the vacation clause, there is a provision where you get 2 weeks.

Mr. KENNEDY. Would you read that to me, where it says that?

Mr. FAUNCE. They closed the plant, apparently, out there 2 weeks each year, 2 separate weeks, that is July and Christmas. A person who is qualified and has worked during the last 52-week period gets 40 hours pay for each of those periods and that is 2 weeks. If you read at the top of page 4 of the contract, that is there.

Mr. KENNEDY. It says what?

Mr. FAUNCE. It is difficult to dig out, I agree with you, but there are 2 weeks that they close down their plant and that is the way they give their vacations.

Mr. KENNEDY. It does not say that.

Mr. FAUNCE. Well, they do that.

Mr. KENNEDY. Well, it says:

If at the end of the workweek immediately prior to the week of July 4, or Christmas week, the employee has received 40 pay checks during the last 52-week period, the employee will receive 40 hours of pay at his base rate, provided he has been on active duty for the last 52 weeks.

It says he is to receive 40 hours or a week's vacation?

Mr. FAUNCE. He gets the equivalent of a week for each of those 2 weeks that they close down, if he had been there for 1 year prior to those periods.

Mr. KENNEDY. Then it is admittedly confusing, but you say all employees at Morton do get 2 weeks' vacation?

Mr. FAUNCE. I am informed they get 2 weeks' vacation after this period of 1 year's service.

Mr. KENNEDY. Now, did you have a number of conversations with Mr. Cross regarding this contract?

Mr. FAUNCE. Some conversation, yes.

Mr. KENNEDY. Where were those conversations held?

Mr. FAUNCE. My best recollection is that I saw him on this particular contract in Washington.

Mr. KENNEDY. When was that?

Mr. FAUNCE. That was sometime in the fall of 1956.

Mr. KENNEDY. Have you known Mr. Cross for quite a long time?

Mr. FAUNCE. Yes, sir.

Mr. KENNEDY. Is he a friend of yours?

Mr. FAUNCE. Yes, sir.

Mr. KENNEDY. Were you out at the convention that the bakers had?

Mr. FAUNCE. Yes, sir.

Mr. KENNEDY. Did you discuss that matter out there?

Mr. FAUNCE. No.

Mr. KENNEDY. You did not discuss this contract with him?

Mr. FAUNCE. No.

Mr. KENNEDY. You were invited to speak to the bakers' convention?

Mr. FAUNCE. Yes, sir.

Mr. KENNEDY. When they got into the difficulty out there, or when this dispute came up between him and certain other officials of the bakers union, did you go down to the grand jury room?

Mr. FAUNCE. I went down to the anteroom of the grand jury.

Mr. KENNEDY. You were down there?

Mr. FAUNCE. Yes, sir.

Mr. KENNEDY. Mr. Cross requested you to come down?

Mr. FAUNCE. No; I went of my own free will.

Mr. KENNEDY. You just wanted to see how Mr. Cross was making out?

Mr. FAUNCE. I wanted to go down there and see him as a friend and I went down there and I spend about 20 minutes.

Mr. KENNEDY. Did anybody else go there with you? Was there anybody else there with you?

Mr. FAUNCE. Yes, sir.

Mr. KENNEDY. Who else went with you?

Mr. FAUNCE. Theodore Kheel.

Mr. KENNEDY. What is his position?

Mr. FAUNCE. He advises our company on labor matters.

Mr. KENNEDY. He advises your company on labor matters and he also acts in the position of an arbitrator?

Mr. FAUNCE. Not for us, except for these two welfare funds, pension and welfare fund.

Mr. KENNEDY. Did you have some difficulty on the west coast, in the so-called Thanksgiving Day strike that took place out on the west coast in 1956?

Mr. FAUNCE. With the drivers union; yes, sir.

Mr. KENNEDY. Was Mr. Kheel out on that and did he go out on that?

Mr. FAUNCE. No; he was out there because of the convention. He was attending the B. and C. convention.

Mr. KENNEDY. He did not have anything to do with that?

Mr. FAUNCE. He had something to do with it ultimately, with the settlement of that strike.

Mr. KENNEDY. Were you able to settle that strike?

Mr. FAUNCE. We got injunctions in court and stopped the strike. It was settled; it was stopped.

Mr. KENNEDY. Was there any discussion of Mr. Martin Segal at that time?

Mr. FAUNCE. On what subject?

Mr. KENNEDY. In connection with that strike?

Mr. FAUNCE. No.

Mr. KENNEDY. There was not?

Mr. FAUNCE. No.

Mr. KENNEDY. Did you withdraw Martin Segal or take action so that Martin Segal would no longer have the pension and welfare fund out there?

Mr. FAUNCE. You are about a year and a half behind. Martin Segal withdrew voluntarily from representing the San Francisco driver group, both employers and drivers and salesmen, in connection with their health and welfare fund to which he had been adviser, but that was about 3 months ago.

Mr. KENNEDY. Three months ago?

Mr. FAUNCE. Yes, sir.

Mr. KENNEDY. Did you suggest to him that he withdraw?

Mr. FAUNCE. I had nothing to do with it.

Mr. KENNEDY. Nothing to do with it?

Mr. FAUNCE. Nothing whatsoever.

Mr. KENNEDY. Was he preparing to bring some charges against some individuals out there; did you know?

Mr. FAUNCE. He had prepared a report which was submitted to the State insurance commissioner.

Mr. KENNEDY. Did you suggest to him ever that he not make these charges?

Mr. FAUNCE. Never.

Mr. KENNEDY. You never did?

Mr. FAUNCE. No, sir.

Mr. KENNEDY. You never discussed them with him?

Mr. FAUNCE. Yes.

Mr. KENNEDY. But you never suggested to him that he not do it?

Mr. FAUNCE. No, sir.

Mr. KENNEDY. Are those charges still in existence?

Mr. FAUNCE. I don't know what disposition has been made of them.

Mr. KENNEDY. But you never had any discussion about that?

Mr. FAUNCE. No.

Mr. KENNEDY. That never played a part in the settling of the strike out there in California?

Mr. FAUNCE. Oh, no; the strike was closed off last January.

Mr. KENNEDY. Have you been contacted by Mr. Herman Cooper within the last week or so?

Mr. FAUNCE. I had a conversation on the telephone with him last night and I said "Hello" to him and he said "Hello" to me.

Mr. KENNEDY. Prior to that?

Mr. FAUNCE. No, sir.

Mr. KENNEDY. Last week you were not contacted?

Mr. FAUNCE. No, sir.

Mr. KENNEDY. Did he ever speak to you about the charges against Mr. Friedman?

Mr. FAUNCE. I don't know anything about charges against Mr. Friedman.

Mr. KENNEDY. You know nothing about the charges against Mr. Friedman?

Mr. FAUNCE. No, sir.

Mr. KENNEDY. About the embezzlement of any fund or misuse of any fund?

Mr. FAUNCE. No, sir.

Mr. KENNEDY. You never did?

Mr. FAUNCE. No, sir.

Mr. KENNEDY. You do not know anything about that?

Mr. FAUNCE. I don't know about any charges except what the employers have made in Cleveland.

Mr. KENNEDY. Do you know anything about that?

Mr. FAUNCE. Yes, sir.

Mr. KENNEDY. Did Mr. Cooper speak to you about that, the charges made by the employers?

Mr. FAUNCE. No, sir.

Mr. KENNEDY. Did anybody from Mr. Cooper's office speak to you about those charges?

Mr. FAUNCE. No.

Mr. KENNEDY. No one talked to you about them?

Mr. FAUNCE. No, sir.

Mr. KENNEDY. Did Mr. Cross speak to you about it?

Mr. FAUNCE. No.

Mr. KENNEDY. Were you ever requested and did you ever state to the employers group that they should wait until after Mr. Friedman had brought the group together for Mr. Cross; that is, wait after Thursday, or wait over the weekend before they brought those charges?

Mr. FAUNCE. That was considered, that the bringing of the charges was on Monday, and the local lawyer in Cleveland was to proceed the following Monday; and whether he did or not I don't know.

Mr. KENNEDY. Was there a discussion about a delay in proceeding on that?

Mr. FAUNCE. There was a discussion among our own group.

Mr. KENNEDY. What suggestion did you make at that time?

Mr. FAUNCE. I made the suggestion that they go ahead as contemplated and that the matter, if it went any further should proceed on the following Monday.

Mr. KENNEDY. Rather than what time?

Mr. FAUNCE. The following Monday was the schedule as I remember it.

Mr. KENNEDY. Wasn't there also discussion about proceeding immediately and didn't you say that it might be embarrassing to Mr. Cross if the host for this group out there, Mr. Friedman, was charged by the employers with this embezzlement of funds?

Mr. FAUNCE. There was a discussion along that line.

Mr. KENNEDY. Why had you brought that subject up?

Mr. FAUNCE. What?

Mr. KENNEDY. Why did you discuss that and who approached you from the bakers union on that matter?

Mr. FAUNCE. Nobody approached me.

Mr. KENNEDY. Why did you think, or why were you in favor of putting it off until after Mr. Cross had his meeting?

Mr. FAUNCE. The whole group, the employers group was interested.

Mr. KENNEDY. Who had talked to you about it?

Mr. FAUNCE. I talked to our lawyers and our employers group.

Mr. KENNEDY. And what lawyers did you talk to about it?

Mr. FAUNCE. The firm name I haven't got here, the man's name is Hensil, I think, the lawyer in the firm.

Mr. KENNEDY. Whose lawyer is he?

Mr. FAUNCE. He represents the group of employers.

Mr. KENNEDY. Did anybody or any representative of the bakers union speak to you about that?

Mr. FAUNCE. No, I don't remember any.

Mr. KENNEDY. What is that?

Mr. FAUNCE. I don't remember any bakers union representatives speaking to me.

Mr. KENNEDY. It was just a week or two.

Mr. FAUNCE. I would if they did.

Mr. KENNEDY. Nobody spoke to you?

Mr. FAUNCE. No.

Mr. KENNEDY. No representative of the bakers union?

Mr. FAUNCE. No.

Mr. KENNEDY. But there was discussion among the employers about putting this off for a few days so it would not embarrass Mr. Cross?

Mr. FAUNCE. There was.

Mr. KENNEDY. And you decided to do that?

Mr. FAUNCE. That is right.

Mr. KENNEDY. Tell me, is this a complete account, this statement that you have made?

Let me just see if I understand this other. There were charges by the employers against Mr. Friedman; is that right?

Mr. FAUNCE. That is right.

Mr. KENNEDY. And Mr. Friedman held what position?

Mr. FAUNCE. I understand he is an international vice president and also the business agent of the Bakery and Confectionery Workers local in Cleveland.

Mr. KENNEDY. Now, Mr. Friedman is the one that called the conference of various bakers for Mr. Cross in Cleveland, Ohio; isn't that right?

Mr. FAUNCE. That is right.

Mr. KENNEDY. And the meeting was to be held and the employers had these charges that they wanted to make against Mr. Friedman for the embezzlement of the welfare and pension funds; is that right?

Mr. FAUNCE. That is correct.

Mr. KENNEDY. And at that time it was discussed whether if this charge was brought and made public prior to the time of Mr. Friedman's meeting of Cross supporters that it might be embarrassing to Mr. Cross; isn't that right?

Mr. FAUNCE. There was a question of the effect of the proceedings; that is right.

Mr. KENNEDY. It was decided at that time that you would put off bringing the charges until after this meeting and bring the charges after the meeting had been finished where Mr. Friedman was the host?

Mr. FAUNCE. By our group and not by me.

Mr. KENNEDY. What other employees were involved in that?

Mr. FAUNCE. There was the Ward Baking Co., General Baking Co.

Mr. KENNEDY. Who was representing the Ward Baking Co. there?

Mr. FAUNCE. Locally, you mean?

Mr. KENNEDY. At this meeting at which this decision was made.

Mr. FAUNCE. There was no meeting, there were discussions over the telephone.

Mr. KENNEDY. And did you have discussions with people?

Mr. FAUNCE. Yes; I did.

Mr. KENNEDY. Who did you discuss the matter with?

Mr. FAUNCE. Mr. Grean, Ward Baking Co.

Mr. KENNEDY. What is his position?

Mr. FAUNCE. He is in charge of labor relations, vice president.

Mr. KENNEDY. What did you say to him?

Mr. FAUNCE. We discussed the advisability of timing of this report.

Mr. KENNEDY. What did you suggest?

Mr. FAUNCE. I suggested it would be filed on Monday.

Mr. KENNEDY. Rather than prior to the meeting?

Mr. FAUNCE. That is right.

Mr. KENNEDY. Mr. Grean agreed to go along?

Mr. FAUNCE. He did.

Mr. KENNEDY. Who else did you telephone?

Mr. FAUNCE. I telephoned nobody else on that.

Mr. KENNEDY. Just Mr. Grean?

Mr. FAUNCE. Yes, sir.

Mr. KENNEDY. And then who was it that made the decision, Mr. Grean handled it from there?

Mr. FAUNCE. I don't know.

Mr. KENNEDY. How did you say, you said a decision was made.

Mr. FAUNCE. It must have been made by others afterwards because there were other people.

Mr. KENNEDY. Who would make it?

Mr. FAUNCE. National Biscuit Co. is in it, General Baking Co.

Mr. KENNEDY. Who represents the National Biscuit Co.?

Mr. FAUNCE. Their labor relations, the man, the head of it is a man named Harry Haggert.

Mr. KENNEDY. Is he the one who would make that decision?

Mr. FAUNCE. He would be the normal one.

Mr. KENNEDY. What did you tell Mr. Grean to do? Was he to contact these other people?

Mr. FAUNCE. Yes.

Mr. KENNEDY. You told him to contact them?

Mr. FAUNCE. I suggested that.

Mr. KENNEDY. That he contact these other people?

Mr. FAUNCE. That is right.

Mr. KENNEDY. And suggest that these charges be put off?

Mr. FAUNCE. That is right.

Mr. KENNEDY. Who else was in this group?

Mr. FAUNCE. Did I state General Baking Co.?

Mr. KENNEDY. Who represents them?

Mr. FAUNCE. A man named Emile Libresco, L-i-b-r-e-s-c-o.

Mr. KENNEDY. Who else was contacted?

Mr. FAUNCE. I talked to Mr. Grean.

Mr. KENNEDY. And he was to contact all of these other employers. How many employers were there?

Mr. FAUNCE. Continental, Ward, General, National, and I think American Bakeries has a cake plant there.

Mr. KENNEDY. So those employers were contacted?

Mr. FAUNCE. I don't know whether they were or not.

Mr. KENNEDY. You told the lawyer to contact them.

Mr. FAUNCE. I did not talk to the lawyer.

Mr. KENNEDY. Mr. Grean, you suggested it to him?

Mr. FAUNCE. What he did later, I don't know.

Mr. KENNEDY. You suggested to him that he contact these people.

Mr. FAUNCE. Yes, sir.

Mr. KENNEDY. Now, is this statement that you read here, is that a complete chronology and account of your relationship with Mr. Nathan Shefferman?

Mr. FAUNCE. It does not state each time that I saw him but it is a complete account of the nature of our relationship with him.

Mr. KENNEDY. But it does not get down to particulars.

Mr. FAUNCE. It does not get down to meetings; no.

Mr. KENNEDY. When did you first meet Mr. Nathan Shefferman?

Mr. FAUNCE. I met him at a dinner, a large dinner given in New York City some 4 or 5 years ago for Dave Beck.

Mr. KENNEDY. For whom?

Mr. FAUNCE. Dave Beck.

Mr. KENNEDY. Did you see him much after that?

Mr. FAUNCE. I did not see him again after that until November of 1955.

Mr. KENNEDY. You saw him in November of 1955?

Mr. FAUNCE. Yes, sir.

Mr. KENNEDY. In what connection did you see him at that time?

Mr. FAUNCE. The representatives of the Morton Packing Co. whom we had not yet acquired, phoned me and asked me if I would see them the next morning in my office in New York to discuss a situation on their labor matters that had arisen, inasmuch as we were under contract to purchase their assets on December 1.

The representatives that came to my office the following morning, Mr. Dawson, I believe, and Mr. Kitchin, and Mr. Shefferman, and a Mr. Bachman, who I understand was from Mr. Shefferman's office.

Mr. KENNEDY. Mr. Bachman?

Mr. FAUNCE. I think that was the name, or Bauckman.

Mr. KENNEDY. You all met there?

Mr. FAUNCE. They came to my office.

Mr. KENNEDY. That was on November 7?

Mr. FAUNCE. It may have been.

Mr. KENNEDY. Of 1955?

Mr. FAUNCE. It could have been.

Mr. KENNEDY. And you discussed then what had been occurring at the plant?

Mr. FAUNCE. No. I was asked one question and they outlined to me that they had a department in their Webster City plant which had approximately 85 people in it and that department was pretty well filled up with antiunion sentiment.

They proposed and said to me, "We propose to discharge those people the next Monday," and they wanted to know my opinion. I said that if I was asked that on behalf of any Continental plant who was going to do that, I would not have the slightest bit of hesitation in saying that was illegal and it was unfair and we would never think of doing it. It was my opinion and they accepted it.

Mr. KENNEDY. Who was it that suggested that they might take that step?

Mr. FAUNCE. They were considering it seriously.

Mr. KENNEDY. Who was it?

Mr. FAUNCE. The management of that Morton Packing Co.

Mr. KENNEDY. Did you understand that Mr. Shefferman was their consultant?

Mr. FAUNCE. They explained that.

Mr. KENNEDY. Mr. Shefferman was the one advising them?

Mr. FAUNCE. Mr. Shefferman agreed with me 100 percent.

Mr. KENNEDY. He agreed with you?

Mr. FAUNCE. He agreed with me.

Mr. KENNEDY. I thought he was up there advising them.

Mr. FAUNCE. They brought him along and this was a problem they were considering and they wanted to let us know what they were going to do and they wanted to get my judgment and I gave it to them.

Mr. KENNEDY. Then you say that this activity on the part of Morton Co. to discharge people was a company policy rather than a policy of Mr. Shefferman, as the other witnesses have testified?

Mr. FAUNCE. Of the Morton Packing Co. and not Continental.

Mr. KENNEDY. But it was not Mr. Shefferman, it was the Morton Packing Co.?

Mr. FAUNCE. He agreed with me.

Mr. KENNEDY. That they should not be discharged?

Mr. FAUNCE. That is right.

Mr. KENNEDY. Did you discuss the bringing of the bakers union in at that time?

Mr. FAUNCE. No.

Mr. KENNEDY. There was no discussion of the bakers union?

Mr. FAUNCE. None whatsoever.

Mr. KENNEDY. You are sure of that?

Mr. FAUNCE. Very.

Mr. KENNEDY. There was no discussion that bringing the bakers union in, you would be able to defeat the packinghouse workers and this report came to you at this time that you would be able to defeat the packinghouse workers but it might be advisable to bring the bakers in at a later time.

Mr. FAUNCE. Mr. Kennedy, at that point I had no idea whatsoever that the bakers union had any interest in or anything to do with the workers of the Morton Packing Co.

Mr. KENNEDY. Didn't Mr. Bachman at that meeting say to you if you took this action of bringing the bakers in, as you proposed to do, it would be an unfair labor practice?

Mr. FAUNCE. He did not and there was no discussion of the bakers union.

Mr. KENNEDY. He never said that at all?

Mr. FAUNCE. He did not.

Mr. KENNEDY. There was no discussion at all of the bakers union?

Mr. FAUNCE. Not in my presence and I did not know anything about their proposed activity, even, until along in the spring of the next year.

Mr. KENNEDY. Did you know at that time what had been taking place at the Morton Co. regarding the efforts to keep the packinghouse workers out?

Mr. FAUNCE. No.

Mr. KENNEDY. You did not?

Mr. FAUNCE. No.

Mr. KENNEDY. You just knew that they had planned to discharge 85 people?

Mr. FAUNCE. I learned for the first time that they were going to have a labor board election the following week, or 10 days, that is all I knew at that time. We knew nothing about the labor situation when we agreed to purchase their assets.

Mr. KENNEDY. And then when did you next meet with Mr. Shefferman?

Mr. FAUNCE. I next met with him, to my best recollection, I had lunch in Chicago, sometime in the next year and later in the next year with his son, Mr. Shefferman.

Mr. KENNEDY. When was that approximately?

Mr. FAUNCE. Somewhere in the fall of 1956.

Mr. KENNEDY. Did you discuss the situation at the Morton Co. at that time?

Mr. FAUNCE. Yes, sir.

Mr. KENNEDY. What did you decide?

Mr. FAUNCE. We did not decide anything. I told him what Continental Baking Co. wished to accomplish in Webster City and that was to get the minds of the people in that plant in such shape that they would not be opposed to a union.

The CHAIRMAN. Does that not mean that you were actually seeking to get them in the union?

Mr. FAUNCE. I don't think it does.

The CHAIRMAN. You put it in a negative sense, but actually was it not a positive purpose?

Mr. FAUNCE. We did not want any possibility in the future of getting involved in a scrap with the Bakery and Confectionery Workers Union, which as you realize has a pretty large hold on us, by any opposition.

We wanted to have that plant, the people in the plant know what their employer thought because the former employer had gotten them to the point where they wouldn't even, as I realize it, look at a union.

The CHAIRMAN. I can appreciate that, but what it actually amounts to, after you acquired the plant you desired to get those people in the same union your other plants were in. That was the objective, was it not?

Mr. FAUNCE. You can reach that as your conclusion and I am simply telling you what I told Mr. Shefferman.

The CHAIRMAN. I know, but I am asking you.

Mr. FAUNCE. I was not organizing.

The CHAIRMAN. You did not want any other union to come in and organize that plant because all of your other plants were under the baker union; is that not right?

Mr. FAUNCE. That is right.

The CHAIRMAN. Is that not a fact?

Mr. FAUNCE. That is right. It is better for our company if the majority of the people want to join the B. and C. Union, all other things being equal, it is better for us, for us to have them than another union, clearly.

The CHAIRMAN. So in order to make sure that you got the jump on the other unions, you simply used Mr. Shefferman to go down there, the same source that had opposed the organization of the plant some few months before, or a year before, to go back and straighten it out so you could get them into this union.

Mr. FAUNCE. Senator McClellan, the other union did not appear, or was not on the scene until this year.

The CHAIRMAN. I understand they did not appear.

Mr. FAUNCE. They were not active and they were not organizing.

The CHAIRMAN. They failed in their efforts.

Mr. FAUNCE. Under the Labor Board rules, as I understand it, after losing an election they had a right to come back within 2 months before the anniversary date from their failure and again organize the plant.

They were not around there until the summer of 1957.

The CHAIRMAN. I understand that.

Mr. FAUNCE. We were not fighting another union.

The CHAIRMAN. You knew after that 10 months' time they did have a right to come back.

Mr. FAUNCE. They did not come back.

The CHAIRMAN. You say they did not because you stepped in there and organized them.

Mr. FAUNCE. They were not organizing, and they never were around there.

The CHAIRMAN. Well, I think we use a little different terms, but I think definitely you were wanting to get this group in, the same organization. I am not saying I blame you for it, but I think we ought to just face the facts of it.

Senator IVES. Before you leave that subject, did you finally have an election?

Mr. FAUNCE. No.

Senator IVES. How do you know they wanted to get in?

Mr. FAUNCE. I was told that there had been an organizing effort and I knew the Bakery and Confectionery Workers were trying to organize them and I was ultimately told that there was a large majority who had signed cards.

Senator IVES. Who told you that?

Mr. FAUNCE. George Stuart.

Senator IVES. Who was he?

Mr. FAUNCE. He is their international officer, or was.

Senator IVES. Of the bakers?

Mr. FAUNCE. Yes, sir.

Senator IVES. Of the bakery union?

Mr. FAUNCE. Yes.

Senator IVES. You were operating directly with the union itself, were you not, in what you were trying to do?

Mr. FAUNCE. Yes, sir.

Senator IVES. Thank you.

Senator ERVIN. May I ask a question along the same line. I am seeking a little light on the law now.

I received the impression, and I was practicing law at the time the Taft-Hartley law was passed and I was under the impression from reading the decisions under the Wagner Act, that the employer was virtually deprived of the right to freedom of speech in matters of this kind.

Then, the Taft-Hartley law undertook to give him some right of freedom of speech. Now, in other words, the Taft-Hartley law certainly gives the employer the right to oppose the unionization of his plant as long as he bases his opposition upon reasons and does not resort to what can be construed to be threats.

Mr. FAUNCE. Yes, sir.

Senator ERVIN. To what extent, if any, can an employer under the Taft-Hartley law in your judgment as a lawyer, go to bring about a favorable result of unionization effort?

In other words, he can oppose them by reason, we know, in unionization of a plant. To what extent under the Taft-Hartley law do you think that he can go to encourage unionization of a plant?

Mr. FAUNCE. As in this case, he could go to the employees and say that your present employer is organized completely, inside workers

and salesmen all over the United States, and that company has bought this company and we think it would be to your best interests, if you are interested in any unions, to join the union that is associated with this company, which is now the owner of your operation and your employer. We were complete strangers, as employers, to those people, as they were strangers to us from the time we bought them in December of 1955.

Senator ERVIN. Is there any provision in the Taft-Hartley law, or any construction that has been placed on it, that would deny the employer the same right to freedom of speech in advocating the unionization of the plant as distinguished from opposing the unionization of the plant?

Does he have the same right of freedom of speech in your judgment?

Mr. FAUNCE. In my judgment he would. I haven't followed any decisions, but in my judgment he has. He cannot discourage unionization by threats. That is what I understand.

Senator ERVIN. That is all. Thank you.

Senator IVES. Before you leave that subject, Mr. Faunce, I would like to ask a question. Don't you think a sounder and fairer way would have been to have held an election to find out how your employees in that plant did feel on the subject? I wouldn't argue about your trying to persuade them to come in your direction. I will not argue about that at all. As far as I know, the Taft-Hartley Act is perfectly clear on that. You have a right to do that, just as much as you have a right to oppose a labor organization. But on the other hand, it seems to me that there ought to be some means by which the feelings of the employees themselves can be expressed, and the only way they can express them is through an election. You don't know if those employees, the majority of them, were in favor of that labor organization or not, do you? All you have to guide by is what the union leaders told you.

Mr. FAUNCE. The law, of course, does not require an election.

Senator IVES. I understand that. I am not asking you that question.

Mr. FAUNCE. I will answer your question in this way, if I may: Continental Baking Co., rightly or wrongly, in its long history of having been organized by unions, both teamsters and the bakery and confectionery workers union, has rarely asked for an election. I would say that not 10 percent of our labor unions that we deal with have been certified to by the Board. We have relied on cards. We have at times relied on statements, as I did in this case, of international organizers and officers, that they had the members. We have gone ahead to bargain with them.

Senator IVES. I am not questioning any of your procedures along that line at all. I am asking you what you think about the idea of the workers themselves expressing themselves. You had no cards, did you, in this instance?

Mr. FAUNCE. They had cards there.

Senator IVES. From how many?

Mr. FAUNCE. From, I understand, 85 percent. It was testified to here this morning, by the man on the grounds.

Senator IVES. I am sorry, I wasn't here. I missed it. All right.

Senator CURTIS. Mr. Chairman?

The CHAIRMAN. Senator Curtis.

Senator CURTIS. Who were the parties to this contract?

Mr. FAUNCE. The parties to the contract, as the contract reads, were local 449 and the Morton division of Continental Baking Co. Continental Baking Co. was the corporate party.

Senator CURTIS. And the local union was the other party?

Mr. FAUNCE. Yes.

Senator CURTIS. How could you have a contract when one contracting party never is in on the negotiation, never ratifies the contract, and has never even heard the contract read in its entirety?

Mr. FAUNCE. The contract, as I understand this testimony, and it was not read in its entirety because Mr. Smith, who represented them, didn't read it to them. The company had nothing to do with that.

Senator CURTIS. How can principals to a contract be bound by a contract that is never presented to them?

Mr. FAUNCE. It was presented and it was ratified by them.

Senator CURTIS. No; the testimony that we have here is that no one read the contract to them. I asked Mr. Smith. He told of the one part that he didn't read. I asked who read it, and he said "No one."

Mr. FAUNCE. As I said, again, that was his business. It wasn't the company's business.

Senator CURTIS. If it is your contention that your contract is with the local union, it seems to me that the local union should have some participation in the contract, in arriving at the agreement of the minds on what is in the contract.

Mr. FAUNCE. They were offered the contract, all except that one short clause, and they agreed to accept it. They ratified it.

Senator CURTIS. Yes; but if you pull out one clause out of a contract, that is no contract.

Mr. FAUNCE. We did not do that.

Senator CURTIS. You have to read the contract in its entirety; don't you?

Mr. FAUNCE. Mr. Smith did that. He represented the B. and C. If he did not read it, I do not know what the reason was.

Senator CURTIS. I am not singling out you in criticism. I am criticizing the system here where a local union, it is contended, is bound by a contract that they never entered into, never ratified, and never even heard it all read. That is all.

Mr. FAUNCE. Maybe a lot could be said against the system, and there are legal questions as to whether there is really a contract.

Mr. FAUNCE. That is the purpose of these hearings, to see if there are some legislative remedies that can be applied.

Mr. FAUNCE. Surely.

The CHAIRMAN. All right, Mr. Counsel.

Mr. KENNEDY. You took an active part in participation, Mr. Faunce. You made a contract with a man you knew was not representing or was not a member of the local union. You knew George Stuart was a vice president of the bakers' union. You signed a contract with him. Certainly you are as much responsible as anyone else for the facts that the membership did not know what was going on in the signing of the contracts.

Mr. FAUNCE. We are signing contracts currently in the baking industry, with the B. and C., with international officials of that organi-

zation, and there is no local union member or business agent who signs them.

Mr. KENNEDY. Maybe that is the reason we should go into some of your other contracts. This happens to be the one that we are in now, and we find this has happened.

Mr. FAUNCE. That might be a good idea.

Mr. KENNEDY. This may be an invitation to go into all of your other contracts. The fact that you did it this way this time does not make it right.

Mr. FAUNCE. If you come up with legislation that prohibits us with dealing with unions except on a local union basis, we would be very happy.

Mr. KENNEDY. This was all done on a top level. I would like to ask you why it was that you selected Mr. Shefferman to go back in and talk to your employees.

Mr. FAUNCE. Mr. Shefferman was on the payroll. He had not been discharged, as I wanted to have him discharged.

Mr. KENNEDY. You wanted him discharged?

Mr. FAUNCE. Yes.

Mr. KENNEDY. Why didn't you discharge him?

Mr. FAUNCE. Because Mr. Egger asked me not to.

Mr. KENNEDY. You were the head of the company.

Mr. FAUNCE. I was not head of the company. I am an adviser to the company in the department of labor relations.

Mr. KENNEDY. Was there a contract with Mr. Shefferman?

Mr. FAUNCE. No.

Mr. KENNEDY. There was no contract?

Mr. FAUNCE. It was month to month, as I understand it.

Mr. KENNEDY. So his services could have been dispensed with?

Mr. FAUNCE. They could have been, yes.

Mr. KENNEDY. How much were you paying him?

Mr. FAUNCE. \$200 a month, I understand.

Mr. KENNEDY. The question still remains of why did you use Mr. Shefferman or his operatives to go back up there and talk to your employees.

Mr. FAUNCE. The little I know about Mr. Shefferman and his labor relations service company was that they were competent, able, and apparently highly successful in explaining labor situations to employees who didn't know too much about the thing. That is my understanding.

Mr. KENNEDY. He is a notorious union buster.

Mr. FAUNCE. I didn't know that.

Mr. KENNEDY. You said you wanted to discharge him. Why did you want to discharge him?

Mr. FAUNCE. Because we had our own staff to handle labor relations, and \$200 a month is \$200 a month.

Mr. KENNEDY. Why didn't you send one of your own staff up there?

Mr. FAUNCE. Because we were busy in other places and did not have the time to do it.

Mr. KENNEDY. How much money do you think for the period of time when he was up there and this was going on, how much money did the Continental Baking Co. pay in addition to the \$200 a month?

Mr. FAUNCE. I don't know.

Mr. KENNEDY. Let me help you on that.

Mr. FAUNCE. The local Louisville management knows that.

Mr. KENNEDY. Starting back in September 1956, there was \$436.96. Then in October 1956, \$3,037.86. For November, it was \$1,100. So you were paying well above the \$200. If the only reason that you were keeping him on was because you were paying him \$200, you could have sent somebody else up there and saved all this other money. You had to pay all of these additional sums, Mr. Faunce.

Mr. FAUNCE. We kept him on. The decision to keep him on was made in January of 1956, shortly after we bought the company.

Mr. KENNEDY. But no contract except on a month-to-month basis?

Mr. FAUNCE. Mr. Egger asked me to do it. Mr. Egger was managing the day-to-day operations of that outfit. I was advising him on whatever labor relations he had. He preferred, for reasons of his own, and I don't know them, he apparently preferred to keep him on for another year, and I said all right, I would go along with it.

Mr. KENNEDY. You knew of his activities in connection with the Morton Co. prior to that time, didn't you?

Mr. FAUNCE. I knew only of his visit to me. I knew nothing about what he was doing for Morton Packing Co., for them, in Webster City.

Mr. KENNEDY. You say, then, it was the Morton Co. that wanted him sent back up there, rather than you?

Mr. FAUNCE. No. Jointly.

Mr. KENNEDY. Who made the decision, who made the recommendation, to Mr. Kitchin, who made the recommendation that Mr. Shefferman or his office employees be sent back up to the Morton Co.?

Mr. FAUNCE. Mr. Egger and I, after a conversation. I didn't suggest it. It was discussed in a phone conversation and that was the decision.

Mr. KENNEDY. Then you participated, certainly, in the decision of sending him back up there?

Mr. FAUNCE. That is correct.

Mr. KENNEDY. If the only thing you wanted to accomplish was that these people would know that the company wasn't against the union, why wouldn't you just make a speech to them or send out a bulletin to them?

Mr. FAUNCE. That has not proven very effective in labor relations, in my experience, just writing a bulletin or someone making a speech.

Mr. KENNEDY. You could get the local management to say: "We are against the union before, gentlemen, but now we are for a union. And if you want to have a union, you can have it."

Mr. FAUNCE. My only comment on that is that it is a little difficult for the boss himself to turn around that quick. They wouldn't have believed him, that the new company was not antiunion.

Mr. KENNEDY. The new company could say the same thing, that the company had been sold, and that this was a prounion company, instead of getting Mr. Sherfferman's group to come back up there. Why didn't you just do that?

Mr. FAUNCE. Do you quarrel with the fact that we, in our own judgment, used a man that we thought would be effective? That is his work.

Mr. KENNEDY. Senator McNamara said this morning "I think it is amazing, incredible."

MR. FAUNCE. That is the work of Labor Relations Associates, the little I understand about it, to work with employees. Sometimes they keep them out of unions, and in some cases, not many, they tell them that they think they would be better off if they were in a union. Those are the simple facts in this case.

Senator IVES. Mr. Chairman, may I butt in there?

Do you think as a matter of principle that that is good policy, Mr. Faunce?

MR. FAUNCE. Good policy for Mr. Shefferman?

Senator IVES. For anybody, for Mr. Shefferman or anybody else, to advocate people going in to unions or staying out of unions, or something else, who purport to be an expert in the labor-relations field, going around the country and saying to this group "You can go into a union, it is all right for you to join a union," and saying to the next group, "You can't go into a union, you ought to stay out."

What kind of labor relations are those? You come from Rye, do you?

MR. FAUNCE. Yes.

Senator IVES. You and I are from the same State, and I dare say you know of my reputation on this point.

MR. FAUNCE. Surely.

Senator IVES. I daresay more or less you agree with me.

MR. FAUNCE. I want to comment on the question that you asked. I don't think there is any question, really, of policy involved.

Senator IVES. It is a matter of principle, I think.

MR. FAUNCE. Of principle, then. Here is a man who renders a service. He has people who are competent in talking to employees. One principal engages him—and after all, he is only the agent—who has a definite antiunion policy. Shefferman carries it out for him. In another company, the principal, the employer, has a totally different policy. As I understand Shefferman's organization, they were equipped to talk to people either way.

Senator IVES. It sounds to me like trying to carry water on both shoulders.

MR. FAUNCE. On whose part?

Senator IVES. On the part of the labor consultants.

MR. FAUNCE. Continental Baking Co.—

Senator IVES. I am not talking about Continental. I am leaving you out of this principle. I am talking about the whole principle of Shefferman. I can't countenance anything like that, and I have had a lot to do with labor relations and matters of that type. I just can't conceive of any person being in the position that Shefferman has occupied.

MR. FAUNCE. I agree with you, but I know it happened.

MR. KENNEDY. You did it.

MR. FAUNCE. I am not going to quarrel with it. He did it and there it is.

Senator ERVIN. The situation of the Shefferman agents reminds me of the story of the schoolteacher who applied to the school board for a job teaching geography back in the old days when half of the people believed that the world was flat and the other half believed it was round. There was a great deal of controversy about it. The chairman of the board asked this applicant for the teacher's job which

system he taught, whether he thought that the earth was round or that the earth was flat. He said that he used both systems, and he would just leave that up to the board.

That is the way it is with Shefferman. He has arguments to prove that you ought to join a union and arguments to prove that you ought not to join a union.

Mr. FAUNCE. That apparently was his business.

The CHAIRMAN. All right, let's proceed.

Senator ERVIN. He blows hot if you want the hot breath blown and blows cold if you want the cold breath blown. He can approve or disapprove from either side of the conversation.

The CHAIRMAN. Proceed, Mr. Counsel.

Mr. KENNEDY. What is Mr. Friedman's first name?

Mr. FAUNCE. Harvey.

Mr. KENNEDY. How much money was involved in the embezzlement?

Mr. FAUNCE. You use the term "embezzlement." I don't remember any question of embezzlement. The question is there were, first, inordinately high payments of salaries to administrative officials of a local health and welfare fund.

Mr. KENNEDY. How much money was involved?

Mr. FAUNCE. In salaries?

Mr. KENNEDY. How much money was involved that the employer group was upset about?

Mr. FAUNCE. I have to finish. There also was a loan, I believe, of \$15,000 that the welfare fund had made to Friedman's union, the union of which he was business agent.

Mr. KENNEDY. Do you know how much money was involved altogether, which the employer group was upset about?

Mr. FAUNCE. Some \$26,000 a year and high salary. About 19 percent of income, when normally about 4 percent of income to a fund is for administrative amounts.

Mr. KENNEDY. Where were the charges to be brought?

Mr. FAUNCE. In Cleveland.

Mr. KENNEDY. In Cleveland? In court?

Mr. FAUNCE. I don't know. It was left entirely to the lawyer. They have not been brought.

Mr. KENNEDY. Where did you understand they were going to be brought?

Mr. FAUNCE. In the court in Cleveland.

Mr. KENNEDY. In the court in Cleveland?

Mr. FAUNCE. Unless it was to be straightened out. The last I heard was that the letter was given to him with time to make reparations, and that is all I know.

Mr. KENNEDY. Restitution?

Mr. FAUNCE. Whatever would satisfy the employers.

The CHAIRMAN. Senator McNamara?

Senator McNAMARA. I would like to ask the witness just a couple of questions.

On page 4 of your statement you refer to one exception, being in Indianapolis, a CIO union. How do you make a distinction now between the CIO and the AFL? We understand they are all the same.

Mr. FAUNCE. We will not, as I understand, that particular local. It is in the united retail clerks or something foreign to the baking industry. But I don't believe they are part of the AFL locally.

Senator McNAMARA. Do you know what wages they pay?

Mr. FAUNCE. The same wages that are paid by the B. and O. organized companies in Indianapolis. All the rest of the companies are organized there by the bakery and confectionery.

Senator McNAMARA. You have a plant in Detroit of the Continental Baking Co.?

Mr. FAUNCE. Yes; two plants.

Senator McNAMARA. You furnished a list of wages paid at some of your plants. I don't see the Detroit plant here. Do you know the wages paid in Detroit?

Mr. FAUNCE. This schedule, sir, shows wages for people comparable to the Morton division at Webster City. These aren't bakery wages.

Senator McNAMARA. But your plant in Iowa is a bakery workers plant?

Mr. FAUNCE. We have 3 or 4 plants in Iowa, bakery plants. But nothing like this.

Senator McNAMARA. So the bakery workers have your plant in Detroit, too?

Mr. FAUNCE. Yes.

Senator McNAMARA. To that end they are the same. Do you know what the wages are in Detroit?

Mr. FAUNCE. I don't know, but they are on the high side, compared to the rest of the country.

Senator McNAMARA. Considerably higher than this \$1.14.

Mr. FAUNCE. For a bakery, yes. We have no bakeries with rates of this type. This is another business.

Senator McNAMARA. You do have in Iowa?

Mr. FAUNCE. Yes, but the rates for the bakeries in Iowa are higher than these. We can't compare these rates with the bakery rates. This is another business.

Senator McNAMARA. But these are bakery workers, nevertheless. They do make the dough that goes around the pies and bake it and all that?

Mr. FAUNCE. But they do a lot of other things more closely related to the packing business. As a matter of fact, this Morton Packing Co. was qualified under the Packers Act. It was more of a packing company than a baking company. It is not a packing company.

Senator McNAMARA. In other words, what you are saying is that the proper union was the one you didn't want to have anything to do with, the packinghouse workers.

Mr. FAUNCE. No. The bakery workers claim that since there is a pie produced, they have the jurisdiction.

Senator McNAMARA. I was trying to reason with you in that line, but you refute that. You say these people should have more reasonably been compared with packinghouse workers.

Mr. FAUNCE. I can't decide where they are going to end up in jurisdiction.

Senator McNAMARA. No, but I was trying to get your position, so we could reason from there. Up to now in your testimony you said these people should be in the bakery workers. You wanted them in

there because the present dominance of your employees are in that category.

Mr. FAUNCE. That is right.

Senator McNAMARA. Now in answer to my question you say, "But these people don't belong in that category." I want to get the proper basis.

Mr. FAUNCE. I don't say that they belong in any category. I know that the attempt was going to be made, and seriously, to organize them.

Senator McNAMARA. I don't know how we got into this difference if you didn't say it. Surely I didn't say it.

Mr. FAUNCE. That is right.

Senator McNAMARA. You have bakery workers in this plant and you have bakery workers in the plant in Indianapolis and in Michigan as well, in the Detroit area.

Mr. FAUNCE. That is right.

Senator McNAMARA. There is considerable difference in the wages. Incidentally, I think you did a good job on this compilation of wages in the industry. I don't know why you didn't put it into the record. I think it is interesting.

Mr. FAUNCE. I think the most interesting part is the comparison with the viscerating employees in Ohio who do the same kind of work.

Senator McNAMARA. The same kind of work, did you say?

Mr. FAUNCE. The viscerating plant, some of these chicken plants.

Senator McNAMARA. I wouldn't disagree with you more. One makes pies, they use dough, and they make it and put this filling in, whether it is fruit or meat, and this is so different than pulling the innards out of chickens that I don't know how you could find them comparable, really.

That is all.

The CHAIRMAN. This statement will be ordered printed in the record at the point where the witness referred to it this morning. I thought you placed it in the record.

Mr. FAUNCE. I did, by reference.

The CHAIRMAN. It may be printed in the record.

Is there anything further?

Call the next witness.

Mr. KENNEDY. Mr. Theodore Hufert.

The CHAIRMAN. You do solemnly swear that the evidence you shall give before this Senate Select Committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. HUFERT. I do.

TESTIMONY OF THEODORE HUFERT, ACCOMPANIED BY HIS COUNSEL, PETER R. NEHEMKIS, JR.

The CHAIRMAN. Mr. Hufert, state your name, your place of residence, and business or occupation.

Mr. HUFERT. Theodore Hufert, 601 King Avenue, Marion, Ohio. I am the director of industrial relations for the Marion division of Whirlpool Corp.

Mr. Chairman, this is Mr. Peter Nehemkis of this city, counsel for Whirlpool.

Mr. NEHEMKIS. Mr. Chairman, may it please the committee: Before the witness is interrogated, I would ask leave to make a brief request.

The CHAIRMAN. You may state it.

Mr. NEHEMKIS. Mr. Glen Evans, the former general manager of the Marion division, whose activities you have under study here this afternoon, is here pursuant to the subpoena of this committee. I have been informed by Mr. Salinger that his appearance is not desired. I would respectfully ask that he be permitted to appear before the committee, that he be sworn, and that he join us here at this table and present such facts as are within his knowledge to assist the committee in its study of this particular problem.

The CHAIRMAN. What is his name? Mr. Evans?

Mr. NEHEMKIS. Mr. Glen Evans.

The CHAIRMAN. He can come and sit there for the present right behind you. If we find we need him in connection with this testimony, he will be sworn. If not, at the conclusion of this witness, if he desires to make a statement, if he is involved in the matter in any way, we will hear him.

Mr. NEHEMKIS. Thank you, sir.

The CHAIRMAN. Mr. Hufert, I believe you stated your address and identified yourself.

Mr. HUFERT. Yes, sir.

The CHAIRMAN. You have no prepared statement?

Mr. HUFERT. I do not, sir.

The CHAIRMAN. Mr. Counsel, you may proceed.

Mr. KENNEDY. What is your present position, Mr. Hufert?

Mr. HUFERT. I am the director of industrial relations at the Marion division of Whirlpool.

Mr. KENNEDY. How long have you held that position?

Mr. HUFERT. I have held that position since May of 1955.

Mr. KENNEDY. How long has Whirlpool had that plant?

Mr. HUFERT. Since May of 1955.

Mr. KENNEDY. So you came in there at that time?

Mr. HUFERT. Yes.

Mr. KENNEDY. What does the Whirlpool plant at Marion manufacture?

Mr. HUFERT. We produce electric and gas domestic driers.

Mr. KENNEDY. Driers?

Mr. HUFERT. Driers.

(At this point Senator McClellan withdrew from the hearing room.)

Mr. KENNEDY. Do you supply Sears, Roebuck Co.?

Mr. HUFERT. We do. We build both the RCA Whirlpool and the Kenmore driers at that plant.

Mr. KENNEDY. And do they go exclusively to Sears?

Mr. HUFERT. The Kenmore driers go to Sears. The RCA Whirlpool, of course, are marketed through our own distributors.

Mr. KENNEDY. Would you repeat that, please, the second?

Mr. HUFERT. The RCA Whirlpool driers are distributed through the RCA Whirlpool distributors, not a function of Sears.

Mr. KENNEDY. But the other drier goes through Sears, does it?

Mr. HUFERT. The Kenmore drier, yes, sir.

Mr. KENNEDY. Is that exclusively through Sears?

Mr. HUFERT. The Kenmore?

Mr. KENNEDY. Yes.

Mr. HUFERT. Yes, it is.

Mr. KENNEDY. In 1955 was there an organizational drive started in your plant, in Marion? Was there a union organizational drive?

Mr. HUFERT. No, not an organizational drive as such at that time.

Mr. KENNEDY. What was going on there as far as the union?

Mr. HUFERT. At the time we took over the plant in 1955, there was a letter from the UAW-CIO, suggesting representation on the basis of a successor clause through our predecessor plant.

Mr. KENNEDY. And what did you feel about that? What did the company decide to do about it?

Mr. HUFERT. The company felt that the successor clause was not applicable; that we were buying the building and the property, the equipment, the business, and all other items were not purchased by Whirlpool.

Mr. KENNEDY. So did you decide to oppose the joining up with the UAW, or sign a contract with the UAW?

Mr. HUFERT. I don't believe, Mr. Kennedy, that I would word it in just that language. To the best of my knowledge and memory, we had the one letter suggesting the continuance of the UAW representation.

Mr. KENNEDY. Did the UAW-CIO then begin a more active role at Marion?

Mr. HUFERT. In some time in July of 1955 they sent us a letter requesting a meeting to bargain a contract.

Mr. KENNEDY. And did you meet with them at that time?

Mr. HUFERT. We did not.

Mr. KENNEDY. You did not. Did you take any other steps?

Mr. HUFERT. No. We took no other steps. There was shortly after that, I believe some time in August of 1955, an NLRB charge of refusal to bargain issued by the UAW-CIO.

Mr. KENNEDY. Had you retained the services of Mr. Shefferman by that time?

Mr. HUFERT. We had retained—the services of Mr. Shefferman in our plant were on a per diem basis. The first representative from the Shefferman organization was in our plant, to the best of my memory, in the early part of August of 1955, perhaps the 10th, 12th, perhaps even the 15th.

Mr. KENNEDY. Was that shortly after you received the letter from the UAW-CIO?

Mr. HUFERT. I think it was prior to.

Mr. KENNEDY. I thought you said you received a letter in July of 1955.

Mr. HUFERT. I am sorry, Mr. Kennedy. We did have the letter in July. The petition to the NLRB was in August.

(At this point Senator McClellan returned to the hearing room.)

Mr. KENNEDY. After you received the letter, then you retained the services of Mr. Shefferman?

Mr. HUFERT. Sincerely, Mr. Kennedy, the two are unrelated. I mean that.

Mr. KENNEDY. All right.

In July of 1955 you received a letter from the UAW-CIO; in early August of 1955 the services of Mr. Shefferman were retained. Is that right?

Mr. HUFERT. Yes.

Mr. KENNEDY. Our records show that the representatives of Mr. Shefferman arrived in Marion, Ohio, on August 8, 1955. Would that be approximately correct?

Mr. HUFERT. I couldn't argue the date.

Mr. KENNEDY. Who had the discussions with Mr. Shefferman regarding the sending down of a representative?

Mr. HUFERT. I believe on or about the 15th of July of 1955, Mr. Glen Evans, the general manager of the division, received a telephone call from a Mr. William Fowler, who was the administrator of industrial relations of the corporation located at the St. Joseph office, Michigan. He suggested that we might come to St. Joe to discuss some personnel procedures.

I might point out, Mr. Kennedy, that we were at this moment, as I am sure you know, starting up a brandnew division. We had a mere handful of people, a basic task force, as such. In the personnel department, in addition to myself, there was one man and a stenographer. We were quite anxious to get some assistance in the field primarily of interviewing and selection of new employees. We were just going into some volume hiring, or at least on a relative basis.

Mr. KENNEDY. At whose suggestion was it that Mr. Shefferman came down to assist you?

Mr. HUFERT. Mr. William Fowler of the corporate office was the one that called us.

Mr. KENNEDY. Had Whirlpool used Mr. Shefferman before this?

Mr. HUFERT. They had. They had used him, to the best of my knowledge, as far back as 1946.

Mr. KENNEDY. So, they had been using the services of Mr. Shefferman for some period of time?

Mr. HUFERT. I believe so. They used him both at St. Joseph and La Porte, Ind., plants, within my memory.

Mr. KENNEDY. So, some representatives from his office came down to Marion?

Mr. HUFERT. That is true.

Mr. KENNEDY. Who came down?

Mr. HUFERT. A Harry Miller and a Dr. Checov.

Mr. KENNEDY. Dr. Checov?

Mr. HUFERT. Yes.

Mr. KENNEDY. How do you spell his name?

Mr. HUFERT. I think it is C-h-e-c-k-o-v.

Mr. KENNEDY. He came down in early August of 1955. What was he doing? What were his functions there?

Mr. HUFERT. Dr. Checov's?

Mr. KENNEDY. Yes.

Mr. HUFERT. Dr. Checov was introduced to us as an industrial psychologist. I believe he had his doctorate in industrial psychology. Dr. Checov had devised and copyrighted, I believe, a test form—not an unusual test form, really, though I think it is one of the more common tools in industry—which was a word form, a brief form. I think it was called the adaptability scale.

Mr. KENNEDY. The adaptability scale.

Mr. HUFERT. Yes.

Mr. KENNEDY. Was it also called the human-equation test?

Mr. HUFERT. Yes.

Mr. KENNEDY. It had both names?

Mr. HUFERT. I think the name of his copyrighting organization was Human Equation, Inc.

Mr. KENNEDY. And he came down to introduce the human-equation test at the Whirlpool Co. in Marion?

Mr. HUFERT. Yes.

Mr. KENNEDY. So, did he start interviewing your employees?

Mr. HUFERT. Yes. In addition, let me explain this, Mr. Kennedy: Mr. Miller was to assist us in a group-interview program in which we could interview prospective applicants, 8, 10, 12 at a time. Mr. Miller was only with us, I would believe, about 2 or 3 or, possibly, 4 weeks.

Mr. KENNEDY. During this period of time when he was applying his human-equation test, was he also trying to learn whether the employees were going to be for or against the union?

Mr. HUFERT. I do not believe so.

Mr. KENNEDY. You do not believe so?

Mr. HUFERT. I do not believe so.

Mr. KENNEDY. He wasn't making any report to you of that?

Mr. HUFERT. No, sir; definitely not.

Mr. KENNEDY. What were the results of the test going to show?

Mr. HUFERT. This test had several results, primarily in the personality factors, as I remember them, and I am sure there are more, of emotional flexibility, adaptability, promotional potentials, ability to accept direction. I think these are some, perhaps half, of the items that might be indicated.

Mr. KENNEDY. What was Mr. Miller? Did he have a test, too?

Mr. HUFERT. No; Mr. Miller was the proponent—and this, again, is not a new function in industry—of the group interview. He conducted a few of the first group interviews for us. Our own staff, in the very near future, then developed and conducted those interviews themselves.

Mr. KENNEDY. Did they make reports to you, Mr. Checov, regarding his human-equation test, and Mr. Miller regarding his group interviews?

Mr. HUFERT. A generalization, surely.

Mr. KENNEDY. Do you have some written reports that they made?

Mr. HUFERT. Written reports?

Mr. KENNEDY. Written reports.

Mr. HUFERT. No, sir; nothing other than the test results themselves.

Mr. KENNEDY. Have you got those?

Mr. HUFERT. I do not. I think I gave your investigator, Mr. Sheridan, a copy of one.

Mr. KENNEDY. A copy of the results of the test?

Mr. HUFERT. Yes.

Mr. KENNEDY. What would they show, for instance, the tests?

Mr. HUFERT. The points that I had mentioned there, and others, and would show a gradation within those areas. For example, flexibility; as a new organization, we were, I think, a forerunner in that

area of mass production, as such. We were quite interested in having on our assembly lines young men who were very flexible and adaptable to the speed of the units going by. They must be particularly flexible. That was a basic that we needed. We needed the emotional stability. So, it had a range, as I remember it, from poor to good in each of these areas.

Mr. KENNEDY. And you were just trying to find out whether they were flexible. There was no interest to find out whether they were proorganized or antiorganized labor?

Mr. HUFERT. No, sir.

Mr. KENNEDY. How many employees did you have at that time?

Mr. HUFERT. Well, at that time, we had just the basic salaried groups, the administrative groups.

Mr. KENNEDY. Was he also interviewing prospective employees?

Mr. HUFERT. Not as yet. We started when they came on the scene. At that time, Mr. Kennedy, we started hiring our maintenance labor and maintenance mechanics. I think in that first group, the first 2 or 3 weeks in the latter part of August, we possibly hired only 30 or 35, certainly not over 40 employees.

Mr. KENNEDY. And there was no attempt at that time, for the new employees, to find out whether they were for or against the union?

Mr. HUFERT. Mr. Kennedy, it would have been very easy, and is very easy, in a town the size of Marion, with the industries that are in that town, to have quickly determined whether or not a man has been a member of a union. The other firms—the application in itself would indicate where he had worked. We would know, of course, what union was in those plants.

Mr. KENNEDY. How long did Mr. Checov stay there, or remain there?

Mr. HUFERT. We dismissed Mr. Checov, I believe, the latter part of February or early March 1956.

Mr. KENNEDY. He came down in August, and he was making this study. Did it take all this period of time to make the study?

Mr. HUFERT. Well, he couldn't—apparently I haven't made myself clear. Perhaps if I do it in this fashion, it would be better.

As an applicant came into our personnel office, he was given an application form, normally, and also a copy of the adaptability scale. He completed both. He would then, in these present—in these preliminary days, we used the group interview technique. We took the group of 8, 10, or 12 into the conference room, and discussed the job operations and some of the functions. The test forms that had been given to us by Dr. Checov we then referred back to him for grading. That continued until the time we dismissed Dr. Checov.

Mr. KENNEDY. So he remained performing this kind of function, having nothing to do with whether the employees were for or against the union? He remained in that position with this human equation test, and making these reports to you, for about 7 or 8 months?

Mr. HUFERT. I think it was about 5 to 6 months.

Mr. KENNEDY. Five to six months?

Mr. HUFERT. And, too, Mr. Kennedy, after Mr. Miller left—this was perhaps 2, 3, or 4 weeks from that early August date—he also assisted in this group interviewing program.

Mr. KENNEDY. He did do that?

Mr. HUFERT. Yes.

Mr. KENNEDY. Did he have to entertain them?

Mr. HUFERT. The employees?

Mr. KENNEDY. Yes.

Mr. HUFERT. No, sir.

Mr. KENNEDY. That wouldn't be necessary?

Mr. HUFERT. No, sir.

Mr. KENNEDY. While he was having the group interview, he wouldn't have to entertain them?

Mr. HUFERT. No, sir.

Mr. KENNEDY. Was there a spontaneous employees' committee, and did that spring up there while Mr. Checov was in town?

Mr. HUFERT. At some later time, Mr. Kennedy, we heard that 1 employee formed such a committee, and to the best of my knowledge that committee consisted of 3 or possibly 4 other persons.

I might point out to you that the three other persons were weekly salaried employees that would not have been subject to a bargaining unit.

Mr. KENNEDY. Did Mr. Checov have anything to do with the formation of this committee?

Mr. HUFERT. To the extent that he had become friendly with this one employee.

Mr. KENNEDY. What was this one employee's name?

Mr. HUFERT. Mr. Charles Litell.

Mr. KENNEDY. And he had assisted Mr. Litell, had he?

Mr. HUFERT. No, I don't believe I could say that. If I may answer your question in this way, I did not become aware that he knew Mr. Litell until sometime in the late fall or winter of 1955. I think my first real knowledge that he was seeing Mr. Litell was the fact that around Christmastime I received a call from Dr. Checov at my home, and the call was from Chicago, and it was at 5 a. m. in the morning and I remember that distinctly and it was around Christmastime, suggesting that I place Mr. Litell in a position as personnel interviewer in my department.

Mr. KENNEDY. What did you decide to do about that?

Mr. HUFERT. I said that I strongly felt that Mr. Litell did not have the experience, the ability, or the personality to perform that kind of a job.

Mr. KENNEDY. So, you turned him down for that job?

Mr. HUFERT. I turned him down.

Mr. KENNEDY. He didn't receive that job?

Mr. HUFERT. No, sir.

Mr. KENNEDY. But he did form a committee. Now, Mr. Litell formed a committee, and did you understand Mr. Checov had anything to do with the committee?

Mr. HUFERT. I can only give you what Mr. Checov told me or told us. He told me that he had not had contact with employees other than Charlie Litell; that is, direct contacts.

Mr. KENNEDY. Did he have contacts through Mr. Litell with other employees? Did he suggest, for instance, the establishment of this committee?

Mr. HUFERT. I do not believe so, but——

Mr. KENNEDY. What was the name of the committee?

Mr. HUFERT. There was no name.

Mr. KENNEDY. It just existed and was it an antiunion committee?

Mr. HUFERT. I don't believe I know that.

Mr. KENNEDY. You don't know anything about the committee?

Mr. HUFERT. Yes, I do, just from the standpoint of what I have told you—that it had been formed. This, Mr. Kennedy, is purely a personal opinion. I personally believe that Mr. Litell came to him and suggested that he had such a committee available.

Mr. KENNEDY. Well, now, during this period in December of 1955, and January 1956, was the UAW-CIO active in the plant?

Mr. HUFERT. It was.

Mr. KENNEDY. Were they trying to organize?

Mr. HUFERT. They and others.

Mr. KENNEDY. Was Mr. Checov doing any work against the union or just continuing his human equation test?

Mr. HUFERT. I am sure he was not doing any work against the union.

Mr. KENNEDY. Hadn't he about tested everyone by that time?

Mr. HUFERT. No, Mr. Kennedy; we were continuing to hire during this whole period. We are a very rapidly, believe me, and at least comparatively speaking, growing organization. We had gone into production only on November 1 of 1955, and we were still in an accelerating program, and we were expanding quite rapidly.

Mr. KENNEDY. Just on the bills that he sent in or that were furnished to Whirlpool at Marion, there is a large sum of money for entertainment. Who was he entertaining, Mr. Hufert?

Mr. HUFERT. I questioned him at a later time, but if I may digress for just a moment, I think that your records will indicate that we did not obtain itemized or detailed statements from Labor Relations Associates until sometime in January of 1956. I had earlier, shortly after Dr. Checov came with the organization, requested detailed and itemized statements.

At one point in the fall of 1955 I called the office of Labor Relations Associates, and I believe talked with Mr. Shelton Shefferman, asking for a detailed statement. Early in January of 1956, and over the signature of our comptroller, we again asked for an itemized and detailed statement.

We received that and I cannot give you a date, but it had to be sometime in January, and at that time I called Dr. Checov into my office and discussed the matter with him.

(At this point Senator Ives left the hearing room.)

Mr. KENNEDY. You did what?

Mr. HUFERT. I discussed the matter with him.

Mr. KENNEDY. What did he say at that time?

Mr. HUFERT. He gave me very evasive answers, and frankly I had a little bit of the feeling that this was the old swindle-sheet technique.

Mr. KENNEDY. Had you paid for insurance in December—it says fees for services rendered during the month of December 1955, \$1,275, and disbursements for the month of December 1955, \$851.06, and total for December of 1955, \$2,126.06. Didn't you question how that money was spent?

Mr. HUFERT. Yes, we did, and as I explained, we questioned it and it was in January of 1956 that we questioned those items.

Mr. KENNEDY. Did you refuse to pay that?

Mr. HUFERT. We did not refuse to; no, sir.

MR. KENNEDY. Now here according to his breakdown of the disbursements and which you say you didn't have until January, he was meeting with a committee, he says, and he had to entertain the committee, \$17.50, and \$25, and \$34, and \$38, \$38, \$45, \$40, \$36, and these are all to attend these committee meetings and to entertain.

MR. HUFERT. I think, however, Mr. Kennedy, that these may be November or December billings, but we did not receive the itemized statements for that information until January.

MR. KENNEDY. I would think if all he was doing was running a human equation test, he didn't have any reason to entertain anyone. Even when you found out in January you would have refused to pay this bill.

MR. HUFERT. We did not refuse to, but this was about the last straw, and in early March or perhaps late February, we dismissed Mr. Checov.

MR. KENNEDY. Let me just get this. In January of 1956, and this is the next month, for the services during the month of January 1956, \$1,900; disbursements for the month of January 1956, \$1,433.09; making a total for January 1956 of \$3,333.09. Now, this is all for a man who is sitting in a room giving human equation tests to find out whether people are flexible.

MR. HUFERT. Or adaptable.

MR. KENNEDY. Would you need all of that money to find out if people are flexible?

(The witness consulted with his counsel.)

MR. KENNEDY. \$45 for meetings, and \$26.50 for committee, and \$35, committee; \$45, committee; \$30, committee; \$55, committee; \$60; and it is all for these committee meetings that he was having.

Senator CURTIS. What is the date that was paid?

MR. HUFERT. I would give you a figure——

MR. KENNEDY. March 5.

MR. HUFERT. March 5; yes.

Senator CURTIS. When does that relate to the discharge of the doctor?

MR. HUFERT. Almost exactly the same time.

Senator CURTIS. Were these expense bills a factor in the decision to dismiss him?

MR. HUFERT. They were, very definitely.

Senator CURTIS. The principal factor?

MR. HUFERT. No; I cannot say that. There had been a series of unsatisfactory events.

Senator CURTIS. If "principal" isn't the proper word, would you say it was an important factor?

MR. HUFERT. Definitely.

MR. KENNEDY. Did you refuse to pay any of these bills? I see they go on for March, \$2,300 for fees for services rendered during March of 1956, and disbursements for the month of March 1956, \$1,237.29, making a total of \$3,527.29. Now, this is well after you say that you had the conversation with him in January.

MR. HUFERT. That is right. However, we also had the services as legal counsel at that time of a Mr. Bachman of Labor Relations Associates.

Mr. KENNEDY. Now, again, did you find out what Mr. Bachman was doing, and what percentage of this was for Mr. Bachman?

Mr. HUFERT. As a percentage, I do not know.

Mr. KENNEDY. These again are for entertainment—\$70, \$50, \$35, \$33, \$50, \$50, and so on.

Mr. HUFERT. May I point out, Mr. Kennedy, and I think that I gave Mr. Sheridan copies of these, here is the March billing of Labor Relations Associates for the month of March and our paid date stamp at the top is April 30, 1956.

Senator CURTIS. How much of a lag was there in billing you?

Mr. HUFERT. The billings came in always by the 10th of the following month. The billings were very prompt.

Mr. KENNEDY. Did you understand that he was keeping cards and making up cards on the employees and listing them as to whether they were for the union or against the union?

Mr. HUFERT. I never knew that he was keeping cards.

Mr. KENNEDY. Did you understand he was compiling that information?

Mr. HUFERT. No, sir.

Mr. KENNEDY. You mean all of this was going on, and you were paying these bills for this individual and you never knew anything about it?

Mr. HUFERT. In my own opinion, Mr. Kennedy, I do not believe yet that he compiled a card system, and he never told me that he did.

Mr. KENNEDY. We have some cards here for you.

Mr. HUFERT. I understand that you have.

Mr. KENNEDY. You say he never told you that?

Mr. HUFERT. He did not, and I never saw those.

Mr. KENNEDY. Did anybody else in the company tell you it was being done?

Mr. HUFERT. I heard from your Mr. Sheridan that Dr. Checov and Mr. Litell had prepared such a card file.

The CHAIRMAN. Have you ever seen the file?

Mr. HUFERT. Excuse me, sir?

The CHAIRMAN. Have you ever seen the card file?

Mr. HUFERT. I have not, sir.

The CHAIRMAN. Who in your office would have seen it, or in your company?

Mr. HUFERT. Excuse me; I didn't understand your question.

The CHAIRMAN. I say, who in the office would have seen this card file and had custody of it; who in your company?

Mr. HUFERT. I don't think anyone in the company did, sir.

The CHAIRMAN. You mean these cards were not part of the company's records?

Mr. HUFERT. No; they are not, sir.

The CHAIRMAN. Proceed.

Mr. KENNEDY. You never saw these cards at all? Did you have an employee by the name or were you thinking of employing a man by the name of Joseph L. Dawson?

Mr. HUFERT. He is still an employee now.

Mr. KENNEDY. And you never saw the comment that was made about him?

Mr. HUFERT. I did not.

Mr. KENNEDY. I hate to get Mr. Dawson in trouble. Here is a comment on another gentleman, and it says:

Comment: Very sincere, knows union, should be considered a very good company man, won't vote for union.

You never saw that?

Mr. HUFERT. I did not.

Mr. KENNEDY. Then here is one:

No, but can be convinced: not a leader.

Here is a third one:

O. K., but he also said he didn't see why they couldn't get \$20 more so they would be on the same basis with other shops. Agreed bonus makes the difference.

Mr. HUFERT. These were definitely not company cards.

Mr. KENNEDY (reading):

Talked to boy's mother and father, will talk to Dick later. Parents will talk to Dick.

Did you know Mr. Checov was getting in touch with the parents and the wives of your employees, to urge them to be against the union?

Mr. HUFERT. I don't think that he did.

Mr. KENNEDY. That is not what he tells us.

Mr. HUFERT. Perhaps not, and I am of the opinion, my personal opinion, that these cards were filled out by this Mr. Litell.

Mr. KENNEDY. Here is somebody, as to whether he is flexible or not, "No leader, will not fill the needs."

Is that what you wanted? You didn't want any leaders in the company, or what?

Mr. HUFERT. I think that we have some. Mr. Kennedy, I submit that in my personal opinion, these cards were not filled out, I don't believe, even by Mr. Checov. I think they were filled out by Mr. Litell.

The CHAIRMAN. Mr. Who?

Mr. HUFERT. Mr. Charles Litell.

Mr. KENNEDY. Have you ever seen these lists before?

The CHAIRMAN. The Chair presents to you a photostatic copy of a list of names and possibly other memorandums, and asks that you examine it and see if you identify it.

(The documents were handed to the witness.)

Mr. HUFERT. This is definitely not company property, nor have I seen it before.

Mr. KENNEDY. May I see it, please?

Did you ever furnish a list of the employees to Mr. Checov?

Mr. HUFERT. No, sir, other than what he would receive through his normal routine.

Mr. KENNEDY. This has a list of your employees, and beside each name is either a plus or a minus, except where there are a number of "DK" which is supposed to stand for "Don't know." This is a list of employees as we understand it, and according to the information that we have received, that Mr. Checov received from your company.

Mr. HUFERT. That is not true.

Mr. KENNEDY. You say Mr. Checov was down there doing these things and you people weren't aware of it, if he was doing it.

Mr. HUFERT. I certainly was not.

Mr. KENNEDY. This is all a surprise to you?

Mr. HUFERT. No. As I said earlier, in an answer to a question from Senator Curtis, there were a series of items that caused us to dismiss him. One of these was the factor that at a date early in March of 1956, we had a lengthy discussion with Dr. Checov, and during that discussion he told us that he had paid money to an employee. When questioned further, he said small amounts of money. When we questioned him further, he said that he had not given money to any other employee.

Mr. KENNEDY. Who was the employee that he had given money to?

Mr. HUFERT. He named Charles Litell.

Mr. KENNEDY. When was that conversation?

Mr. HUFERT. As I recall, Mr. Kennedy, early in March of 1956.

Mr. KENNEDY. Did you call up Mr. Shefferman then and tell him?

Mr. HUFERT. Mr. Glen Evans, the general manager of the division, called him almost immediately.

Mr. KENNEDY. Did you refuse to have anything to do with Mr. Shefferman or his office after that?

Mr. HUFERT. We said that we were sending Dr. Checov home immediately, and asking him to report to his own offices that his services had been dismissed.

Mr. KENNEDY. Did you ask for a replacement for Mr. Checov?

Mr. HUFERT. We did not.

Mr. KENNEDY. Did you get a replacement?

Mr. HUFERT. A man came in, a Mr. Fred Wheeler, and he also was there, I would judge, 2 to 3 weeks. He was there not more than 2 days per week, and I think during that period there was 1 week in which he was not present at the plant. He was recommended to us as a supervisory or management training expert.

Mr. KENNEDY. There was never any discussion, as I understand your testimony, with Mr. Shefferman or any of his people about keeping this union out.

Mr. HUFERT. No, sir.

Mr. KENNEDY. That wasn't their function at all?

Mr. HUFERT. I submit again, Mr. Kennedy, in a town the size of Marion, we very readily can determine whether a man has been a union member just as to where he worked before.

Senator CURTIS. How big is that town?

Mr. HUFERT. 40,000 or 45,000.

Mr. KENNEDY. You say that you never had any discussions with Mr. Shefferman or any of his employees about taking steps to keep the union out of your plant?

Mr. HUFERT. No, sir. If I may point out, too, Mr. Kennedy, Dr. Checov left our plant 4 to 5 months before the NLRB election.

Mr. KENNEDY. What about Mr. Walter Patterson? Did he come down there?

Mr. HUFERT. Mr. Patterson came down one day in April or at least the spring of 1956, shortly after we had dismissed Dr. Checov.

Mr. KENNEDY. What was he down there for?

Mr. HUFERT. To join Mr. Evans and myself at dinner one evening, and he apologized for the unsatisfactory services his organization had given us. We discussed in general the whole program that we had ahead of us. We were in a heavy organizing campaign.

Mr. KENNEDY. You did discuss the union with him or this study that was going on?

Mr. HUFERT. There was no study, and there was never a study as such.

Mr. KENNEDY. The human equation test, did you discuss that with Mr. Patterson?

Mr. HUFERT. No, sir; those were individual evaluations.

Mr. KENNEDY. What did you discuss with Mr. Patterson?

Mr. HUFERT. Primarily our individual plant operation there, and we were at that time——

Mr. KENNEDY. Why did you bring Mr. Patterson down from Chicago, Ill., to discuss your plant? Why did you have to go way up there, after you found out that Mr. Checov was doing all of these dastardly deeds, and get Mr. Walter Patterson to come down?

Mr. HUFERT. We didn't get him to come down. He was working at the Clyde plant, and I believe he came down entirely voluntarily and primarily to apologize for the lack of good performance of his other staff members. I believe he left for Chicago that same evening.

Mr. KENNEDY. He came on March 28, and he was there March 28 and 29, and he charged \$50 for entertainment for both times.

Mr. HUFERT. So the statement indicated.

Mr. KENNEDY. Now, then, did you have anybody else from Mr. Shefferman's office down there?

Mr. HUFERT. Mr. Shefferman himself was in Marion to the best of my memory three times.

Mr. KENNEDY. What was he discussing, just the expansion of the plant?

Mr. HUFERT. No; he was discussing his services, and if I may say, the first time he was down I think Mr. Evans and I had breakfast with him, and he was actually visiting another plant in the area. He then came down, again from memory, sometime in the early part of November of 1955, because I had complained about the \$5 charge for the human equation form. At that time we eliminated any further charges for the human equation form.

Mr. KENNEDY. When were you charged \$5 for that?

Mr. HUFERT. At that time.

Mr. KENNEDY. Did you have Mr. Bachman down there?

Mr. HUFERT. Yes, sir.

Mr. KENNEDY. Now, there were fairly large sums of money paid to Mr. Shefferman, as you continued through the year of 1956, were there not?

Mr. HUFERT. Yes; and Mr. Bachman acted as our counsel before the NLRB on matters before the NLRB.

Mr. KENNEDY. Altogether, according to our records, you paid Mr. Shefferman in connection with these matters that you have described, \$28,521.54. Is that right?

Mr. HUFERT. I believe that is the correct figure.

Mr. KENNEDY. Mr. Bachman was down there, and he charged one flat sum, in addition to other entertainment, one other sum of \$500. What did he need \$500 for in one lump sum while he was in Marion?

Mr. HUFERT. We never had an explanation of that, Mr. Kennedy.

Mr. KENNEDY. Did you pay it?

Mr. HUFERT. I think that you will note that the payment for this item was on August 6, 1955, and I pointed out that we had discontinued all services of LRA in the early part of June of 1956.

Mr. KENNEDY. It is May 5, according to our books.

Mr. HUFERT. That is the billing, but the payment of that, as I recall, was August 6.

Mr. KENNEDY. I thought you were finding out about all of this back in January, and it seems to me that you prolonged this unhappy experience for many months after that. Here is \$500 that suddenly comes out of Mr. Bachman's expense account on which there is no explanation.

Mr. HUFERT. There was no explanation.

Mr. KENNEDY. Did you ask him about the \$500?

Mr. HUFERT. We did.

Mr. KENNEDY. Did you pay the \$500?

Mr. HUFERT. We did, when we concluded all business arrangements with them.

Mr. KENNEDY. I can't understand, if all of these things were going on in December and January and February, and you felt you were getting robbed then, and you went and paid those, and why you continued the unhappy experience through March, April, May, June, July, and during all of this period of time.

You still continued to pay even though according to your testimony, nobody would ever give you any account of how they were using the money, and where the money was going. \$28,000.

Mr. HUFERT. I would like to try to answer that. Mr. Bachman was acting as our counsel in matters before the NLRB. We did not feel that we could discontinue the services of counsel before these matters were settled.

The CHAIRMAN. Who is Mr. Bachman with?

Mr. HUFERT. With Labor Relations Associates.

The CHAIRMAN. He is another one of Shefferman's men?

Mr. HUFERT. Yes.

The CHAIRMAN. I can understand a small item, and maybe \$500 is a small item to you, I don't know, but I can hardly conceive of a business firm getting a bill for \$500 and paying it.

Mr. HUFERT. We were very unhappy with it.

The CHAIRMAN. And paying it without inquiring what it is about.

Mr. HUFERT. May I also submit, I don't know that I have a copy here, but after that billing we again wrote the Shefferman people and asked for an explanation.

The CHAIRMAN. Why didn't you do that before? It is good business practice to write for an explanation before you issue the check.

Mr. HUFERT. This was before we issued the check.

The CHAIRMAN. Did you get an explanation?

Mr. HUFERT. Not a good one.

The CHAIRMAN. I wouldn't have paid \$500 if I couldn't get a little explanation.

Mr. HUFERT. We at that time, Mr. Chairman, felt that we should discontinue this service entirely, and we were happy to be out of it.

The CHAIRMAN. You didn't pay \$500 just to get out of the services.

Mr. HUFERT. Well, possibly so. At that time we were happy to be out of it.

Senator CURTIS. I want something cleared up in my mind. Mr. Bachman's services were legal services?

Mr. HUFERT. Yes, sir; he was an attorney.

Senator CURTIS. He didn't move about in your plant and interview people?

Mr. HUFERT. Not at all.

Senator CURTIS. Well, now, after you dismissed the doctor, what was his name?

Mr. HUFERT. Dr. Checov.

Senator CURTIS. To what extent were there any of Shefferman's men doing any work in your plant of any kind?

Mr. HUFERT. None at all.

Senator CURTIS. These people that did come back there, you mentioned 1 that came back for a couple of days a week for 2 or 3 weeks.

Mr. HUFERT. He did, that was directly after the dismissal of Checov, and to the best of my knowledge his services were completed in April of 1956.

Senator CURTIS. But after you let Dr. Checov go, the most of the services that you purchased from Shefferman then were legal services?

Mr. HUFERT. They were entirely so, sir.

Senator CURTIS. And this \$500 that they are talking about was an item of expenditure made or charged to you by the lawyer furnished by Shefferman?

Mr. HUFERT. Yes, sir.

Mr. KENNEDY. Now, Mr. Bachman was down there in Kentucky with what?

Mr. HUFERT. Mr. Bachman was there in connection with several NLRB cases.

Mr. KENNEDY. Was there an NLRB case in Kentucky with Mr. Litell?

Mr. HUFERT. There was, sir.

Mr. KENNEDY. You had fired Mr. Litell?

Mr. HUFERT. Excuse me?

Mr. KENNEDY. You fired Mr. Litell, didn't you?

Mr. HUFERT. We had, sir.

Mr. KENNEDY. And Mr. Bachman came down to handle that before the Board there?

Mr. HUFERT. Yes, sir.

Mr. KENNEDY. And so you went back to Mr. Shefferman's firm in order to get advice on the handling of that matter?

Mr. HUFERT. Mr. Bachman was already acting as our counsel on other matters before the NLRB when this NLRB matter on Charles Litell was filed.

Mr. KENNEDY. It was while he was doing that, in addition to his other expenses, and he had other entertainment and other daily expenses amount to quite a considerable amount of money, this item of \$500 appears. You just don't know what that was? What explanation did Mr. Shefferman give you?

Mr. HUFERT. He did not give us any.

Mr. KENNEDY. Do you have a copy of the letter that you wrote Mr. Shefferman?

Mr. HUFERT. We will supply it, Mr. Kennedy.

Mr. KENNEDY. Do you have a copy of those tests, the human equation tests?

Mr. HUFERT. A copy was furnished to Mr. Sheridan.

Mr. KENNEDY. As I understand it, evidently we have 1 which consists of 1 page. Do you have anything else?

Mr. HUFERT. This actually consists of 3 or 4 pages.

(Present at this point were Senators McClellan, Ervin, McNamara and Curtis.)

Mr. KENNEDY. Three or four pages? Is that all that you have, just 3 or 4 pages?

(The witness conferred with his counsel.)

Mr. HUFERT. No, each individual test consists of about 3 or 4 pages.

Mr. KENNEDY. For each individual?

Mr. HUFERT. True.

Mr. KENNEDY. Do you have those?

Mr. HUFERT. No, we will furnish, however, a copy.

Mr. KENNEDY. Do you have a copy of those tests for every individual in your plant?

Mr. HUFERT. No. We discontinued the test.

Mr. KENNEDY. But do you have them for that time, while Dr. Checov was there?

Mr. HUFERT. We do.

Mr. KENNEDY. And they were continued through January and February of 1956?

Mr. HUFERT. Yes.

Mr. KENNEDY. And there are 3 or 4 pages for every individual?

Mr. HUFERT. Yes, sir.

Mr. KENNEDY. And you have all of those, do you?

Mr. HUFERT. Yes, sir.

Mr. KENNEDY. Following the National Labor Relations Board, which Mr. Bachman was handling for you, did you have to post a notice saying that you would not continue certain practices, or would not indulge in certain practices?

Mr. HUFERT. We did.

Mr. KENNEDY. Was one of them—

We will not organize any employee committee for the purpose of interfering with our employees' rights to organize or campaign on behalf of any labor organization or sponsor or give financial assistance to such committee.

Mr. HUFERT. Yes, sir.

Mr. KENNEDY. Why did you have to agree to do that if you had not been doing that in the past?

Mr. HUFERT. Mr. Kennedy, I think you will note that the cease-and-desist stipulation is not signed by an executive of the division or of the company. It is signed by Mr. Bachman.

When Mr. Evans and I first heard of the cease and desist stipulation in all of its particulars, we were quite shocked. However, we were given advice to the effect that we had only one other alternative and that was to take this matter through the courts. It might take as high as up to 2 years.

We had, in good faith, told our people that we would agree to a quick election. In fact, we had agreed to a consent election, both in January and later in March and April. We still felt that the best we would want to do, and the best we could do, the thing we owed our employees, was to hold an election as quickly as possible.

Mr. KENNEDY. Did you also agree—

We will not employ persons, firms, or organizations to interfere with the rights of our employees to organize or campaign in behalf of any labor organization.

Mr. HUFERT. Those apply, I believe, to the same effect.

Mr. KENNEDY. There are about 10 things that you agreed not to do; is that right?

Mr. HUFERT. Yes, sir.

Mr. KENNEDY. Where was Mr. Checov during this period of time?

Mr. HUFERT. I do not know.

Mr. KENNEDY. Did he just disappear?

Mr. HUFERT. As far as I know. I never saw him again.

Mr. KENNEDY. Did you understand that Mr. Shefferman had sent him to Canada?

Mr. HUFERT. I believe Mr. Sheridan was the first to advise me that he was in Canada. I did not know.

Mr. KENNEDY. Mr. Shefferman told you that?

Mr. HUFERT. No, sir.

Mr. KENNEDY. You were not finding out anything from Mr. Shefferman, were you, what Mr. Shefferman's employees were doing or what you were paying \$28,000 for? You were not able to keep up at all with it?

(The witness conferred with his counsel.)

Mr. KENNEDY. Excuse me?

Mr. HUFERT. I am sorry. I was conferring with my counsel.

Mr. KENNEDY. What is your answer?

Mr. HUFERT. May I refer to counsel?

Mr. KENNEDY. No; you answer it yourself.

Mr. HUFERT. What was the question, sir?

Mr. KENNEDY. You were not able to keep up at all on what the Shefferman firm was doing, either in connection with Mr. Checov or, later, in connection with what Mr. Bachman was doing, all of which you paid some \$28,000 for; is that right?

Mr. HUFERT. Yes, sir; I think we kept up very well, Mr. Kennedy. I think that there were some items there that are unusual and are excessive. We felt that at the time. I would like to submit to you that our experience with them at Marion was very brief.

Mr. KENNEDY. It lasted about a year. From what I understand, from your testimony, and maybe I misunderstood it, I understood that you were not able to keep up or did not know about the employees' committees.

Mr. HUFERT. I do not believe there were any.

Mr. KENNEDY. He was saying that in his expense account. He was saying he was meeting with employees' committees. I will show you that.

Mr. HUFERT. I challenged him on those committees.

Mr. KENNEDY. But I am telling you that he said that. He said he was meeting with employees' committees. There were employees' committees functioning and antiunion committees. Here they are. You paid the expenses on these things. I am trying to find out if either you knew about it or you did not know about it. Did you know about it?

Mr. HUFERT. To this day, I don't think there was a committee.

Mr. KENNEDY. Then we go back to the fact that you did not know what Mr. Checov was doing down there, Mr. Shefferman's employee, what he was doing down there, for which you were paying these sums of money.

Mr. HUFERT. I don't believe he had the meetings with the committee.

Mr. KENNEDY. Then he was doing something with the money. He was getting the money. He was receiving the money and the money was coming from you.

Mr. HUFERT. I gave you a personal observation a while ago. I think it was the swindle-sheet technique, personally.

Mr. KENNEDY. Then you did not know about that. Whatever happened, you did not know what was going on as far as Mr. Checov's activities there, whether he was sticking the money in his own pocket or using it in connection with these committees.

Mr. HUFERT. Other than we did terminate him, after these 5 months.

Mr. KENNEDY. Then you terminated him and got 2 or 3 other employees of Mr. Shefferman?

Mr. HUFERT. No, sir.

Mr. KENNEDY. You got Mr. Bachman and Mr. Walter Patterson.

Mr. HUFERT. Mr. Bachman had been doing legal work for us and acting as counsel for some time.

Mr. KENNEDY. Mr. Wheeler came down.

Mr. HUFERT. Briefly.

Mr. KENNEDY. He said he was working with employees, too. Here, for instance, is \$20.25, drinks for the committee.

Mr. HUFERT. I don't believe Mr. Wheeler ever talked to our employees.

The CHAIRMAN. Here is the thing about this, Mr. Hufert. You have been getting bills here all along for entertaining the committees. You say you do not even believe one existed.

Mr. HUFERT. Yes, sir.

The CHAIRMAN. I cannot understand how you keep paying repeated bills for entertaining a committee, a committee that you did not believe existed. You are a businessman running a plant. That just does not quite add up.

Mr. HUFERT. Mr. Chairman, we did ask repeatedly for these detailed billings.

The CHAIRMAN. You got it in detail and paid it.

Mr. HUFERT. We got it in January. I called the man in and I did not get a satisfactory answer. We terminated his services within a matter of weeks.

The CHAIRMAN. Did you ever make any check to see whether any committee existed?

Mr. HUFERT. Yes, sir. I do not believe any committee ever existed there, other than one that Mr. Litell may have had.

Senator ERVIN. And yet you paid out \$1,000 or \$1,100 or \$1,200 a month for entertainment of a nonexistent committee, after the bills were presented to you?

Mr. HUFERT. No, sir; I did not believe the bills were that high for the entertainment factor. The entertainment was high enough, but the primary expense in the billing was the \$100 per diem charged for the representative.

Senator ERVIN. You got a bill in January, did you not, that set out entertainment of committee?

Mr. HUFERT. Yes, sir.

Senator ERVIN. And you continued to do business with these people until May?

Mr. HUFERT. We discontinued this man at the plant in March, early March.

Senator ERVIN. You continued him for 6 weeks after you say you thought they were presenting you a swindle sheet?

Mr. HUFERT. Possibly so. I had not thought it was that long.

Senator ERVIN. Did you not feel like it was your duty to protect your company against swindle?

Mr. HUFERT. Yes, sir.

Senator ERVIN. But you did not do it, did you, according to your own statements?

Mr. HUFERT. Yes, sir: we called Dr. Checov in.

Senator ERVIN. But you say he did not tell you anything about it, that you never got any information from him.

Mr. HUFERT. No, sir.

Senator ERVIN. And you got a \$500 bill from your counsel and your counsel would not even tell you what the bill was about. The company must not have been very much concerned about it, just to pay out \$28,000 and not find out what you paid it out for.

Mr. HUFERT. That is why we did get rid of him.

Senator ERVIN. It took you a long time to get rid of him. You kept having transactions of one kind or another until August, did you not?

Mr. HUFERT. Well, we were shocked, Senator. This firm had done an outstanding job at two of our divisions, the St. Joseph division and LaPorte. One is a UAW plant and the other is an IAM plant.

Senator ERVIN. That would shock me if somebody presented me with a bill for \$500 and would not tell me what it was for. You must have been shocked into insensibility.

You kept dealing with these people and your last payment was in August, was it not?

Mr. HUFERT. Well, the last work they did for us was early in June of 1956. We sent a letter that I have not been able to produce here, in July of 1956, requesting itemization, including this \$500 amount.

Senator ERVIN. They did itemize the other things. They itemized the other things and showed they were buying food and drinks for a committee which you say was nonexistent. Is that your testimony?

Mr. HUFERT. That is, sir. So in August, August 6, after we had terminated their services, we did pay the bill, but we did not pay the bill until August 6 of 1956.

Senator ERVIN. But you got the bill in January showing itemization, which included the purchase of food and drinks for the use of a committee which did not exist. You paid that bill back in March, did you not?

Mr. HUFERT. Sometime in the latter part of March.

Senator ERVIN. And you did not take the pains to find out why you were being billed for entertainment of a committee which had no existence, you say?

Mr. HUFERT. We did check that.

Senator ERVIN. You checked it and did you find out that the committee did not exist?

Mr. HUFERT. To the best of my beliefs, yes.

Senator ERVIN. Well, nevertheless, after you found out that the committee for which these expenses had been incurred had no existence on the face of the earth, you went ahead and paid them, did you not?

Mr. HUFERT. We did, finally, yes.

Senator ERVIN. You paid them regularly. You paid them in March, you paid them in the next month and you paid them up until May.

Mr. HUFERT. That is not quite true. The billings show that we held off 2 monthly billings.

Senator ERVIN. Will you please tell me why you paid a bill for carrying a lot of items for the entertainment of a committee when you say you investigated the fact and found out the fact that the committee did not even exist? Why did you pay that bill?

Mr. HUFERT. We were getting very dissatisfied, Senator, with the man's services.

Senator ERVIN. I think I would have fired him the first month if I saw he was putting a swindle sheet over on me and if I had been an official of your company, I would have felt it was my duty to do it.

Why did you not fire him as soon as you found out that he was claiming reimbursements from you for the entertainment of a committee which did not even have existence on the face of the earth?

Mr. HUFERT. I wish we had.

Mr. KENNEDY. Wasn't this the same type of procedure and pattern that had been used by Mr. Shefferman in other Whirlpool branches?

Mr. HUFERT. Do you mean—I don't think I follow your question.

Mr. KENNEDY. Didn't you know that Mr. Shefferman had gone into other Whirlpool branches, or his representatives, and had formed a committee to function there, an antiunion committee?

Mr. HUFERT. No, sir, they had not.

Mr. KENNEDY. They had not?

Mr. HUFERT. They had not. In St. Joseph—

Mr. KENNEDY. What about Clyde, Ohio?

Mr. HUFERT. I don't think they formed a committee there.

Mr. KENNEDY. Do you say unequivocally that no committee was formed in Clyde, Ohio, that Mr. Shefferman had anything to do with?

Mr. HUFERT. I cannot. I was not there.

Mr. KENNEDY. We have an affidavit, Mr. Chairman, from another individual who was active in the committee. We are getting the original. This is a copy of it. We are getting the original from downstairs. It is in connection with this committee's activities.

Senator ERVIN. Did the Labor Relations Associates furnish legal services, too?

Mr. HUFERT. Yes, sir. They have a Mr. Bachman, or had a Mr. Bachman on the staff that was an attorney or is an attorney.

Senator ERVIN. And you could apply to Mr. Shefferman and Mr. Shefferman would furnish you a lawyer?

Mr. HUFERT. Yes, sir.

Senator ERVIN. You are not a lawyer yourself?

Mr. HUFERT. I am not, sir. Our attorney in the beginning of the operations at the Marion division was on vacation at a time when an unfair labor practice charge—no, I am sorry. It was not. It was a petition for recognition which was filed with the NLRB. We needed

an attorney to counsel us and we were able to have the services of Mr. Bachman.

Senator ERVIN. Why did Mr. Shefferman furnish lawyers along with other services?

Mr. HUFERT. I do not know. I did know that Mr. Bachman was an attorney.

Senator ERVIN. In other words, you contacted him through the Shefferman organization?

Mr. HUFERT. True. In answer to this other question, the work at the St. Joseph plant had been primarily one in which the representative from Labor Relations Associates had handled the arbitration and the negotiations for that plant. I believe his function there was a full-time function and a very successful function.

Senator ERVIN. Did you not ever talk to your attorney in Marion about contacting a lawyer in that kind of a fashion?

Mr. HUFERT. Yes, sir.

Senator ERVIN. What did he say about the legal ethics of the situation?

Mr. HUFERT. He, like me, was quite unhappy.

Senator ERVIN. I would think so.

Senator McNAMARA. Mr. Chairman?

The CHAIRMAN. Senator McNAMARA.

Senator McNAMARA. You mentioned that the operation in St. Joseph, Mich., was quite successful. What do you mean? Successful to what end?

Mr. HUFERT. I meant the representative from LRA, who was assigned to the St. Joseph division. His operation was very successful from the standpoint of everyone at St. Joseph respected and liked the man and trusted him, and I believe that he assisted the personnel department and the officers very effectively.

Senator McNAMARA. What union were you dealing with there?

Mr. HUFERT. Originally, the independent UE, and then later the IAM. Currently, it is the IAM.

Senator McNAMARA. The machinists?

Mr. HUFERT. The machinists. We have 12 unions in the Whirlpool organization.

Senator McNAMARA. Do you have a union now, and which one is it, if you have, in the Whirlpool Corp. at Marion?

Mr. HUFERT. No, we do not, sir.

Senator McNAMARA. It is a nonunion operation?

Mr. HUFERT. There was an election in August of 1956. Four unions had petitioned for representation. The vote was decidedly "no union."

Senator McNAMARA. So now you have a nonunion plant?

Mr. HUFERT. Yes.

Senator McNAMARA. You previously had a union plant organized by the UAW-CIO; is that right?

Mr. HUFERT. Our predecessor in that building and in that plant was organized by the UAW-CIO.

Senator McNAMARA. Who was your predecessor?

Mr. HUFERT. Motor Products, of Detroit.

Senator McNAMARA. Murray Products?

Mr. HUFERT. Motor Products.

Senator McNAMARA. You brought up the name of Mr. Litell as one of your employees. He was employed by you in this plant?

Mr. HUFERT. Yes, sir, at the Marion plant.

Senator McNAMARA. Did you hire him?

Mr. HUFERT. Individually? The company? Yes, sir.

Senator McNAMARA. He was hired under your administration?

Mr. HUFERT. Yes, sir.

Senator McNAMARA. Was he one of the people who passed the human equation test?

Mr. HUFERT. He did, sir.

Senator McNAMARA. Why did you fire him?

Mr. HUFERT. For several acts of insubordination.

Senator McNAMARA. For instance what?

Mr. HUFERT. We had given him a suspension prior to that time. Well, the first act of insubordination that I knew about was leaving the plant early one day without notifying his supervisor. On another occasion very soon after that, he became abusive and argumentative with the guards. We had given him a suspension for insubordination, refusal to follow the directions of his superiors and gave him at that time, as I remember it, a 2½-day suspension.

Approximately 2 or 3 weeks later he was placing balloons on company property in the plant, including parts of the dryer.

Senator McNAMARA. Balloons?

Mr. HUFERT. Yes, yellow balloons.

Mr. KENNEDY. Did the balloons have something on them?

Mr. HUFERT. They had "Join UAW-CIO" on them.

Mr. KENNEDY. On the figures you were talking about, Senator Ervin, according to our breakdown of the \$28,000 amount the fees were \$15,675 and the expenses amounted to \$12,847.56, making a total of \$28,522.56. That started on August 31 of 1955, and continued through June 30, 1956.

The major expenses were starting in December of 1955, January of 1956, February 1956, and March of 1956 and then they started to get less, and April of 1956.

The CHAIRMAN. Do you know Eldon Phillips, who works for you?

Mr. HUFERT. I do, sir.

The CHAIRMAN. Have you ever talked to him about this committee?

Mr. HUFERT. Have I talked with him about it?

The CHAIRMAN. Yes, sir.

Mr. HUFERT. Only at the time of a visit by an NLRB field examiner prior to the election. He stated to me that the field examiner had visited him at his home and inquired in some detail as to the functioning of the committee that was headed by this Charles Litell.

The CHAIRMAN. Charles Litell?

Mr. HUFERT. Yes.

The CHAIRMAN. Did he tell you that he worked with Charles Litell on that committee?

Mr. HUFERT. Yes, sir.

The CHAIRMAN. Did he tell you he was one of those who participated in the entertainment provided by Dr. Checov?

Mr. HUFERT. He did not.

The CHAIRMAN. Do you know where Mr. Checov lives now, Dr. Checov?

Mr. HUFERT. I do not, sir.

The CHAIRMAN. He has been interviewed by Mr. Henson, working for the committee. I think now he may be a fugitive from justice.

Mr. KENNEDY. Not Mr. Hensil.

The CHAIRMAN. No, Dr. Checov. He knows he is wanted and is across the border somewhere. Here is the statement he gave, a report on the statement. If he were here testifying according to what he has previously said, there would be quite a conflict between his testimony and you. Checov stated—and I will read some to you and allow you to deny it—

Checov stated his first and only assignment of any significance was the Whirlpool Co. account at Marion, Ohio. He said he started this job about September 1955, and that his prime objective at this plant was to interview prospective employees and to screen out union organizers and other persons with prounion sentiment. In this job he said he worked closely with a Ted Hufert—

Is that you?

Mr. HUFERT. That is me.

The CHAIRMAN (reading):

Who was director of industrial relations at the Whirlpool plant at Marion.

Did he work closely with you?

Mr. HUFERT. No; I don't believe I could use the word "closely." I think his closest contact was with our personnel manager, my assistant, Mr. Bayer.

The CHAIRMAN. All right.

He said he used but one method of screening prospective employees at the Marion plant. In this instance, the plant had just been completed and the job was to completely staff the plant. He said his general procedure was to interview applicants in groups of 10 to 12.

Is that according to your statement of awhile ago, that they started this group interviewing?

Mr. HUFERT. Yes, sir.

The CHAIRMAN. That is correct.

The applicants would be given a written placement test in addition to individual and group interrogation.

That is this 3- or 4-sheet test.

He said LRA written tests were designed to develop the individual applicant's general feeling and sentiments pertaining to unions and collective bargaining in general.

Checov said that applicants with prounion sentiments were rejected on the basis of the test. In this regard, the test served another purpose. In the event a rejected applicant filed a complaint charging unfair or discriminatory practices, the company could produce the test as evidence that the applicant had failed to pass the test.

Have you any comments?

Mr. HUFERT. Yes. I would like to comment on it, Mr. Chairman. I wish you could see the test form. I think you would agree with me that it is very difficult to determine from the test form any union sympathy or otherwise.

I might point out, too—

Mr. KENNEDY. Is this it?

Mr. HUFERT. That is it.

I might point out, too, that more normally than not the grading and graded forms were received by us after the man was already on the payroll.

The CHAIRMAN. What?

Mr. HUFERT. As we went along, at some future time usually, the graded information became a part of the man's record after he was already on the payroll.

The CHAIRMAN. Will you examine this and see if it is the form of the adaptability test that Dr. Checov was giving?

(A document was handed to the witness.)

(The witness conferred with his counsel.)

Senator ERVIN. I understood you to say that, on that test, you could not tell very much from it, that it was very difficult to draw any conclusions as to what it meant. Is that right?

Mr. HUFERT. As to an individual's union sympathies or otherwise.

Senator ERVIN. Is it not pretty difficult to tell anything about the individual anyway from a test?

Mr. HUFERT. That might be a matter of opinion. It is not an unusual test, Senator. We use tests now, but they are the Wunderlich and related tests.

Senator ERVIN. Do you not know that that test was purposely designed so that you could not tell anything about whether it was graded accurately or not?

Mr. HUFERT. I don't think so.

Senator ERVIN. Can you analyze one of them? Can you grade one of them and tell whether a man passed it or failed it?

Mr. HUFERT. No, sir.

The CHAIRMAN. That may be made exhibit No. 7 for reference only.

(The document referred to was marked "Exhibit No. 7" for reference and may be found in the files of the select committee.)

Senator ERVIN. The only person that could tell when a man took it, that he passed it, or failed it, was Dr. Checov?

Mr. HUFERT. Yes, sir.

The CHAIRMAN. I would like to quote some other statements that he purportedly made.

Senator ERVIN. I have one other question, Mr. Chairman.

In other words, Dr. Checov could give a man any kind of a grade on that test, so far as you could tell, and there would be no way for anybody in the universe to tell whether he had graded it correctly, except Dr. Checov?

Mr. HUFERT. Well, I would like to answer that in this way: that we considered the test a part of, or a tool within, a whole interviewing technique. We are just as interested—or more so—in the application, in any reference letters that we might have, and, in particular, in any interviews we might have with the man. This only substantiates what we otherwise determine as to a man's experience and ability.

Senator ERVIN. You said you could not tell at all. You said you could not tell what the test meant. You said the only man that could tell what the test signified was Dr. Checov.

Mr. HUFERT. If we were to use the test strictly, that would be true.

Senator ERVIN. So you have a test to test the men in your plant as to their adaptability to work—which you required them to pass—which was so complicated that the management of the plant did not understand it?

Mr. HUFERT. The test itself, may I submit, is rather simple. The grading of the test is not.

Senator ERVIN. Well, anyway, Dr. Checov could give any kind of a grade on it. He could grade the thing any way and nobody could tell whether the grade was correct or not.

Mr. HUFERT. True.

Senator ERVIN. So he could very well have used it in connection with other information he had so as to enable the company to get rid of a man who was prounion and keep a man who was antiunion?

Mr. HUFERT. May I say again, Senator Ervin, that we probably knew a great deal more about a man's former affiliations with the union than Dr. Checov.

Senator ERVIN. There would not be any way that the National Labor Relations Board or a court, a circuit court of appeals, could tell whether or not Dr. Checov had graded a fellow accurately or not, in case anyone claimed that he had been fired on account of union sympathies rather than on account of the grade that Dr. Checov gave him; was there?

Mr. HUFERT. That probably is true.

Senator ERVIN. In other words, it was susceptible of use as a subterfuge; was it not?

Mr. HUFERT. No, it was not; no, sir. That was not the intent whatsoever. Counsel has asked me to point out in answer to that question that in our memory of the first hiring of the employees into the plant, at least 80 to 85 of them were former union members.

I can honestly say to you that I do not know of an individual who was discharged because of his inability to pass this test.

Tests, Senator, I think you will agree, are quite frequently used as a supplement in the hiring program. We used them primarily—

Senator ERVIN. You gave them to the men you already had hired, too?

Mr. HUFERT. Excuse me?

Senator ERVIN. Dr. Checov gave the test to men that you already had hired?

Mr. HUFERT. No; we gave the test at the time of interviews. We did not have the grades in every instance until after they were hired.

Senator ERVIN. But you never did use the test to fire anybody?

Mr. HUFERT. No, sir.

Senator ERVIN. That is all.

The CHAIRMAN. May I read you a little more of this report of his statements? It says:

Checov stated that about the first part of April 1956, a man he now believes to be a private investigator called at his home during his absence. The man represented himself as being an insurance investigator, inquiring into an accident in which Mr. Checov had been involved.

Checov said his wife inadvertently informed the man that Checov was employed by LRA and had been on the Whirlpool job at Marion, Ohio. Checov said that, after the man left, his wife realized that, since her husband had not been involved in an accident, the man may have had other motives.

She then called Nathan Shefferman and related the incident. Checov said Nathan Shefferman was quite distressed about the incident and its possible relationship to the pending NLRB hearing. Evidently there had been a staff meeting to discuss the situation, as Checov was informed by Nathan Shefferman, Shelton Shefferman, and Bachman, as well as several others, that he should leave the country for a few months.

Checov said he cannot recall specifically who first suggested that he take a trip. However, he said nothing is done around LRA without Nathan Shefferman's approval.

He said he agreed to go to Mexico. Nathan Shefferman, however, told him it would be better for him to go to Vancouver, British Columbia. Checov said he is sure that records will reflect that he was removed from the payroll of LRA at that time as an arrangement was made for him to bill the company periodically "for services rendered."

He said the period particular invoices were to be of sufficient amount to cover all expenses of the trip, as well as his regular salary, \$7,500 per annum. He said he was given an initial advance of \$750 at that time. He said he has no record of specific amounts received during the trip, but that, to the best of his recollection, he received about \$2,500 from LRA during April and May 1956.

In response to a question, Checov stated it was essential for Shefferman that he not be available at the NLRB hearing. He said he had been in full charge of activities at the Marion plant and had also, in this capacity, been the only contact with Charles Litell.

He said, too, that his activities in Marion probably resulted in breaking every unfair labor law on the book. Checov said he returned to Chicago about the latter part of May 1956, after receiving word from Shefferman that the "coast was clear."

He said it was at that time that the Litell case before the NLRB had been quashed. He said that, even without his own testimony, he could not understand how this could have happened.

In his opinion, there was ample evidence supporting the unfair labor charges. He said he could only conclude that Barringer, a UAW representative and/or persons representing NLRB had been pressured into dropping the case.

I do not know whether you know anything about what he stated here.

Mr. HUFERT. I don't. I don't understand much of what is said there.

The CHAIRMAN. It goes on here. Maybe this will get down to cases. He was talking there about his work there and about them sending him out of the country. You do not know anything about them sending him out of the country and paying his expenses to keep him from testifying at the NLRB?

Mr. HUFERT. No, sir.

The CHAIRMAN. That is a case of yours?

Mr. HUFERT. No, sir. We did not have anything to do with that. I am not aware of that.

Mr. KENNEDY. Didn't you have an unfair labor practice charge brought against you?

Mr. HUFERT. Yes, sir.

The CHAIRMAN. That is what he is talking about.

Mr. HUFERT. I thought you were referring to sending him out of the country.

Mr. KENNEDY. It was in connection with that hearing.

The CHAIRMAN. He says that—

Charles Litell was one of these men. He said these men then became his watchdogs within the plant. In connection with their employment, they were to circulate among plant employees and listen for prounion talk, organization attempts, and other related activities. Such information was then reported to him, Checov, and, through him, to the Whirlpool personnel department.

Do you know anything about that?

Mr. HUFERT. No, sir. May I have just a moment to confer with counsel?

The CHAIRMAN. Yes; you may.

(The witness conferred with his counsel.)

Senator CURTIS. May I inquire?

The CHAIRMAN. Yes.

Senator CURTIS. This material being read into the record; is that Checov's affidavit?

The CHAIRMAN. No; it is not an affidavit. The reason I am reading it to this witness is because we are going to have some further testimony, and I am reading it to him while he is on the witness stand. I stated this was a report of a conversation had with Mr. Checov. It is not sworn to.

So that you might have the opportunity, if any of this is testified to, I am reading it to you. In other words, we are trying to get Checov. He is up there in Vancouver. We have wired him. He is staying over there to keep from being subpoenaed.

Mr. HUFERT. Mr. Chairman, Mr. Nehemkis asked me to mention that Dr. Checov never had anything to do with the NLRB matters.

The CHAIRMAN. He could have very well been a witness, if he was available. That is what he apparently was referring to.

(The witness conferred with his counsel.)

The CHAIRMAN. These would be, in effect, charges against your company, if true. He says that the charges about union activity were then submitted to close scrutiny, and the men were then hounded until a basis was found for their dismissal.

Mr. HUFERT. That is not at all true.

The CHAIRMAN (reading):

Checov stated another technique used to get rid of a troublemaker was to have the man promoted so as to elevate him above union activities.

Did that practice take place?

Mr. HUFERT. No, sir.

The CHAIRMAN. There is a great deal more here, but I am not going to read it all, because it may be unfair to read it. I just want to give you a general idea, for your information, about the statements made to a representative of this committee by Checov before he left the country. You can appreciate the committee's keen interest now in interrogating about these things.

Mr. HUFERT. I fail to understand why he has made some of those statements. They are completely false.

The CHAIRMAN. Those statements are not sworn to at the moment. I didn't want to put it in as evidence, but I was stating it to you as information that the committee had that certainly justifies or warrants the committee interrogating you closely about these matters.

Mr. NEHEMKIS. In that respect, sir, if you will permit me to interject, I am still very hopeful that you will give Mr. Glen Evans an opportunity to enlighten you on various aspects of the matter.

The CHAIRMAN. We have not ruled him out at all. But I cannot hear but one at a time very well. We will get this record first.

Mr. NEHEMKIS. Very well, sir.

The CHAIRMAN. Do you have the original of this affidavit?

Mr. KENNEDY. Yes, we do. Mr. Sheridan obtained the original.

The CHAIRMAN. Do we have it in our files?

Mr. SHERIDAN. Yes, sir.

Mr. KENNEDY. Are you sending for it?

Mr. SHERIDAN. Yes, sir.

The CHAIRMAN. Go ahead, if you have any other questions.

Mr. KENNEDY. I think that would be all for now.

The CHAIRMAN. Here is an affidavit that I am going to place in the record. I only have before me now a copy, not the original. If the original is not produced, then this will be stricken from the record, and all interrogation about it. I don't want something in the record that is not sworn to. But I understand we have the original in the files.

You have sent for it?

Mr. KENNEDY. Yes.

The CHAIRMAN. To conserve time, I am going ahead with the copy. This is an affidavit taken at the county of Marion, State of Ohio.

I, Eldon Phillips, make the following voluntary statement of my own free will. No threats or promises have been made to me.

I am presently unemployed having been layed off from my job at the Whirlpool Co. in Marion, Ohio, on May 28, 1957. I expect to be reemployed by this company by July 1, 1957.

Is he still working for you now?

Mr. HUFERT. He is working for us.

The CHAIRMAN (reading) :

I went to work at the Whirlpool Co. on November 14, 1955, as a timekeeper.

After I had been at Whirlpool a short time, Charles A. Litell asked me if I would be interested in helping him form a committee for the purpose of keeping unions out of the Whirlpool Co. at Marion. I agreed to do this. I deliberated a long time before I agreed to help him. He told me that a man named Louis Checov was helping to get the movement started. Some time after this I met Checov through Charles Litell. Checov said that the reason he was at the Whirlpool plant was to organize a movement against the unions to keep the unions out of the plant. I did not know who Checov worked for.

After that, we would meet with Checov after working hours and discuss how individual employees in the plant felt about the union. We would find this out by talking to the employees about the union and by listening to the conversations of employees. Checov provided us with lists of all of the employees in the plant. We would use these lists when we got together with Checov to make notations as to how each employee stood in relation to the union. Checov also provided us with index cards which were used for making house calls.

I don't know whether those are the same cards we have here or not. I guess further testimony will develop that.

The purpose of the house calls was to try to influence the employees against the unions. I did not make any house calls myself because I did not have the time to spare. The cards contained the name and address of the employees, the initials of the person contacting them and the results of the contacts.

I never received any money from either Checov or Litell. Sometimes when we met with Checov we would have food and drinks and he would pay the bill.

I assume that refers to the committee entertainment that you were charged for.

After Checov left Marion, a man named Wheeler asked me to attend a meeting at the Harding Hotel. Two or three other employees and I attended and Wheeler said that he was going to reactivate the committee. We had dinner and Wheeler paid the bill.

What was the amount of that bill? I think you have it there. It is \$20.50. That is another item, I believe, that you paid Wheeler.

There were no further meetings and nothing more came of it.

Sworn to before me and subscribed in my presence this 5th day of June 1957.

RALPH H. SIMPSON, Notary Public.

My commission expires October 16, 1958.

It is signed by Eldon Phillips.

It is information like this which has brought the committee's attention to this matter and brings our interest in it.

When you have the original, I want this printed in the record. Otherwise, I want all of this taken out of the record.

Mr. HUFERT. Mr. Phillips is a very honorable man. I am sure that whatever he has said was spoken in honesty as he knew it. He has never told me that he met with Checov or with Miller. I did know that he had met with Litell. I think I indicated earlier that Litell had established a committee of 3 or 4 weak salaried people. This was one of them.

The CHAIRMAN. This was one of them?

Mr. HUFERT. That is right.

The CHAIRMAN. You said at first that you couldn't find the committee when you went out to look for it, when you were paying the bills. You may have learned about this since.

Mr. HUFERT. I did learn about it afterward. But I still to this moment did not know that Checov was meeting with the committee, other than Litell.

The CHAIRMAN. I think you ought to bill Mr. Shefferman for your money back if you didn't know about it on all of this expense. I think you are entitled to have it back, if a fraud was perpetrated on you.

Mr. KENNEDY. I have one question.

You say this other gentleman came down and at least had one meeting—Mr. Wheeler had one meeting—with this committee. What did you say that Mr. Peterson, the other employee of Mr. Shefferman, came down for? Did you say he came down there to apologize for Mr. Checov?

Mr. HUFERT. Mr. Peterson came down of his own volition. He called me and we arranged a dinner meeting that evening. I think Mr. Evans and I joined him at 6 o'clock. We had a dinner and discussed it. That, basically, was what he discussed with me. He said "Our organization basically has not given you very good service. I am sorry. Our service is not always like this."

Mr. KENNEDY. Did he discuss the labor situation with you?

Mr. HUFERT. Just briefly he inquired how we were coming. I don't think the entire dinner and meeting lasted more than 3 or 3½ hours.

Mr. KENNEDY. Did he discuss what the sentiment in the community was toward the union?

Mr. HUFERT. He may have. I don't recall.

Mr. KENNEDY. Did he also help you in writing a speech in connection with the union?

Mr. HUFERT. No, sir; I don't recall that he did.

Mr. KENNEDY. He just came down, you say, just to apologize for Mr. Checov?

Mr. HUFERT. I don't recall the speech.

Mr. KENNEDY. Is that what he came down for? I just want to get your testimony straight. Is that what he came down for—to apologize for Mr. Checov?

Mr. HUFERT. Yes.

Mr. KENNEDY. All right.

The CHAIRMAN. You may stand aside.

(Committee members present: Senators McClellan, McNamara, Ervin, and Curtis.)

The CHAIRMAN. Mr. Evans, come forward, please.

You do solemnly swear that the evidence you shall give before this Senate select committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. EVANS. I do, sir.

**TESTIMONY OF GLEN EVANS, ACCOMPANIED BY HIS COUNSEL,
PETER R. NEHEMKIS, JR.**

The CHAIRMAN. Mr. Evans, state your name, your place of residence, and your business or occupation.

Mr. EVANS. My name is Glen Evans. I reside at 1105 St. Joseph Drive, St. Joseph, Mich. At the present time, I am general manager of the St. Joseph division of the Whirlpool Corp., and I was formerly general manager of the Marion division at Marion, Ohio.

The CHAIRMAN. You have the same counsel as appeared for Mr. Hufert?

Mr. EVANS. Yes, sir; I do.

The CHAIRMAN. You have heard some testimony here this afternoon, and you are testifying, I believe, by request. You may proceed to make any statement you wish, Mr. Evans.

Mr. EVANS. Thank you very much, Mr. Chairman.

Gentlemen, I would like to attempt to clarify some of the statements that have been made here because I believe you will appreciate the fact that since I was general manager of that plant, certainly I assumed and had all the responsibilities, including labor relations. You will also probably recognize the fact that since this was a new plant, started in March of 1955, actually we started our activity in Marion in setting up this plant in May of 1955, so we are talking about a relatively short time.

I think that is an important factor here. I came to work for Whirlpool in February of 1955, for the purpose of managing this plant. I did not know of Labor Relations Associates; I had never heard of them before, or any of the members of that organization.

I think you will agree that in starting up a new plant it is customary, in fact even after it is started up when you have peak loads, to employ consultants in plant engineering, in all kinds of specialized fields. The labor relations is no exception to this.

For example, if we were to hire the people employed in the personnel department in starting up such an operation, we would find ourselves filled with extra people who would then have to be laid off after we had passed that peak. We needed some help in the selection and establishment of a selection procedure for new employees.

When we turned to our corporate office and I would like to mention here, by the way, that this responsibility was completely that of the division manager namely, myself. We did not have to employ any people that were recommended by the corporate office. That was my responsibility. I could have refused that offer in the very beginning. However, it was mentioned that this company, our company, had long used Labor Relations Associates, from 1946 until this time, and this was a company, by the way, LRA, who, it was my understanding,

was serving several hundreds of top companies in this country. They came highly recommended. They did have legal counsel that came as a part of this service.

When we set up this plant, Mr. Checov and Mr. Miller, as Mr. Hufert has already testified, came to our plant to set up this procedure of selecting employees. This form that we are talking about, by the way, in my understanding, was not any different than one you get from the University of Chicago, or any other university, or that is used in the civil-service examinations, for example, in determining the capability and the particular job that a man should be assigned to. That is what we thought we were buying.

It is my opinion that LRA does attempt, once they have a foot in the door in this procedure, to sell other programs, to sell other services once they have gotten in. It is my opinion that this procedure—I said opinion; it is not a fact, Mr. Chairman, it is only an opinion—that they perhaps used this selling procedure of trying to get you to use other programs, such as later were established by Mr. Checov, and I am speaking particularly about the program that has been explained here, and Mr. Checov explained to us at the time we dismissed him, of setting up a committee as antiunion people, an antiunion group.

First of all, that is not and was not our motive. The best evidence I can give you is that better than 100 days prior to the election that was held, there was no LRA representative in our plant. So I don't understand how they could possibly have influenced our people to vote against the union.

The fact that we employed most people who had already been members of the union and some of those who had held offices in the union, would bear evidence that we weren't doing a very good job of keeping them out, if that had been our motive. I say it was not our motive.

In regard to these expenses, first I would like to say, Senator, that we certainly are very much interested in every dime in our plant. We are in a very competitive industry. I think that those who know anything about the appliance industry will agree with me that you must match every penny, every mill.

Therefore, I can assure you that when Mr. Hufert and our comptroller brought to our attention that we were being charged fees higher than normally would be expected by a consultant—and you will also, I think, agree that consultants normally do not give you an itemized breakdown. They charge a fee, and this is common practice throughout the industry.

However, when this was an exorbitant figure it was brought to my attention. I requested the comptroller to write to Mr. Shefferman, which he did, and ask for an itemized statement.

Remember, again, we did not hire our first employees in production until November of 1955. We did not get this itemized statement until the first part of 1956. When we received this amount, we certainly did ask some questions, and as far as I was concerned, I felt that we certainly were not getting the proper service, and I certainly had many questions about this organization.

The second point was that we again wrote another letter. The next billings that came in again did not have an itemized account. This is more evidence to build up the fact that there is something wrong with this organization. That, together with the three items that Mr.

Hubert outlined contain Mr. Checov's services, which were certainly inadequate. By inadequate, I mean the fact, for example, that on one occasion, for example, he called Mr. Hubert at home early in the morning. That is the one he referred to. I want to be sure I am talking about that item specifically. That indicated that we certainly were not getting the services for which we were paying.

Mr. Bachman and some of his practices did not impress me, as I believe I have clearly outlined to Mr. Sheridan, the investigator, and in fact I gave all of this information that I am giving here to him.

At that time, we had made up our minds, as far as I am concerned, that we would have no more to do with them. When we dismissed Mr. Checov from the plant, I called Mr. Shefferman and told him so, and told him that this man was leaving the plant that day, the day we found out about him dealing with this committee you are talking about, and passing out money in small amounts to that group.

He came back and saw me on the first of the week. In fact, I didn't give him any explanation. I said, "If you want to find out, come and see me," which he did.

When he came the first of the next week, I explained to him what I have just told to you, and told him why we dismissed the services of Mr. Checov. Remember, again, the amount of time I am talking about. Here is an organization that had already established itself among a lot of companies in the country. Our company had used it since 1946. I think it was natural that I would be very careful and cautious about throwing out on its ear a company that we had long used. So I was careful about that. I told Mr. Shefferman and he went on a long tirade, which he can do, about the kind of things that Mr. Checov had done, and trying to excuse these items, and so on.

But I still took my stand that we did not want him back in the plant. We did have a need, a very serious need at that time, because all of our supervision were new and young people.

He mentioned something about leaders. Yes, we were vitally hungry for leaders in starting up a new plant. You will find, if you looked at the foremen in our plant today, that they came from these hourly people who were employed. You will find that the biggest percentage of them came from those people, which proves that there must have been some leaders among those whom we hired in accordance with this test procedure which has been outlined here.

Now, what did I do about this?

Well, I dispensed with the services of LRA completely, and on the strength of this dismissing of the services of LRA, our corporation dismissed them from all of our plants. You will find that from the date we dismissed them at Marion they were no longer used anywhere in the corporation of Whirlpool.

I believe, gentlemen, that that is all that I have, unless there are questions.

The CHAIRMAN. Are there any questions?

Senator CURTIS. I would like to ask a question.

The CHAIRMAN. Senator Curtis.

Senator CURTIS. Was the dismissal of LRA on the basis of your own dealings with them, or had any outside group investigated and complained against them to you?

Mr. EVANS. Mr. Curtis, I am not sure I would understand what you mean by an outside group.

Senator CURTIS. Well, I mean by the Government.

Mr. EVANS. I did not know of that.

Senator CURTIS. I did not know of it, either. I am asking you about your dismissal of them.

Mr. EVANS. My dismissal of LRA, if I understand your question, was strictly on the evidence that we had at Marion.

Senator CURTIS. In other words, strictly on the dealings that you had with them?

Mr. EVANS. Yes, sir. If I understand your point correctly, there was no publicity given in this country at that time, if you talk about what you have read in the newspapers. I didn't know that LRA was not a fine, upstanding organization. We had no evidence to the contrary.

Senator CURTIS. So that my question is clear, what I wanted to know was your reason for dismissing the whole service. Was that because of your own experiences with them?

Mr. EVANS. Yes, sir.

The CHAIRMAN. Are there any other questions?

Senator McNAMARA. Yes, Mr. Chairman, but I will be glad to defer to Senator Ervin.

Senator ERVIN. Thank you.

As I understand, you didn't start operations until the end of the year of 1955?

Mr. EVANS. Yes, sir.

Senator ERVIN. In other words, your first employees actually started to work with your production, being about November 1955?

Mr. EVANS. November 1955; yes.

Senator ERVIN. Was it in January that you discovered this? In other words, was it then that you got bills that you thought were too large?

Mr. EVANS. We did not pay those bills. We held them until we got an itemized account.

Senator ERVIN. And when you got an itemized account, you found these items there for alleged entertainment?

Mr. EVANS. Yes, sir.

Senator ERVIN. When was it that you finally dismissed Checov?

Mr. EVANS. In March, I believe, sir. I believe it was in March of 1956.

Senator ERVIN. Did you discover between the time that your attention was first called to the exorbitant size of these bills, up to the time of the dismissal of Mr. Checov, that he had been attempting to establish in the plant what you might call an antiunion committee?

Mr. EVANS. No, sir; I did not know that until we dismissed Mr. Checov.

Senator ERVIN. When did you first learn that?

Mr. EVANS. That was in March that I dismissed him. That was the first time I heard of that. He told us that.

Senator ERVIN. After you dismissed Checov, you still retained the services of Bachman?

Mr. EVANS. Yes, sir; we did. Because he had already started to handle this NLRB case. Frankly, doing it over again, I would have liked to have thrown him out at that time, too. That is what we should have done.

Senator ERVIN. You are not a lawyer, but didn't it strike you as peculiar for Labor Relations Associates to be rendering counsel to a third person?

Mr. EVANS. No, sir; if I understand your question correctly, I would say not; because they had long supplied this service not only to our company but to many. At St. Joseph, for instance, where we have a union—in fact, we have 12 unions in all of our plants, and we have 7 plants. Most of those are organized by unions. They had used this legal counsel service from LRA at that time for a number of years. So I think it was logical that when our counsel, who was employed on our corporate staff, was on his vacation, as Mr. Hufert outlined, we contacted by letter, and we then referred this matter to LRA. I had never heard of Mr. Bachman and didn't know that he was in the organization. But he was assigned to this job that we requested.

Senator ERVIN. Anyway, the LRA organization was engaged, among other things, in the business of furnishing counsel to render services to third persons?

Mr. EVANS. I believe that is right, sir.

Senator ERVIN. And had been in that business for a long time?

Mr. EVANS. Yes, sir. That is what I understand. Not in my experience, but that is what I was told.

Senator ERVIN. You are a layman and not a lawyer, of course, and you are not familiar with legal ethics that would prevail in a case of that kind.

Mr. EVANS. That is correct, sir.

Senator ERVIN. That is all.

Senator McNAMARA. I have a question to ask the witness, Mr. Chairman.

You had used this LRA service in your St. Joe plant up to the time that you had this, shall we say, trouble with them, or difference with them in the Ohio plant, and then you dispensed with their services in St. Joe, as well?

Mr. EVANS. Yes, sir; that was done.

Senator McNAMARA. Who do you use now?

Mr. EVANS. We do not use anybody. We use our own legal counsel. We have a counsel on corporate staff. I might mention that our corporation has grown in the last 10 to 12 years. We now can afford our own counsel on our corporate staff. Prior to that time we were only one division located in St. Joseph, the one I am now general manager of. At that time we couldn't afford to maintain such a legal staff in that small an operation.

Senator McNAMARA. When LRA was employed by you at the St. Joe plant, were they represented by Mr. Kamenow from Detroit, or was that out of the Chicago office?

Mr. EVANS. Senator McNamara, I am not sure I understand.

Mr. NEHEMKIS. May I confer?

The CHAIRMAN. Yes.

(The witness conferred with his counsel.)

Mr. EVANS. I was not aware of that. My counsel tells me that the answer to your question is yes, that he did come to our organization in 1946. I was not familiar with that. That was prior to my time.

Senator McNAMARA. One of Mr. Kamenow's men gave us testimony yesterday that they had retained all of the accounts in Michigan. I would assume if his statement were true that you would still be one of his accounts, even though they changed the name from LRA to some other name.

Mr. EVANS. Sir, if you will permit me, I am sure that is not true. I am positive it is not true. That is, we definitely do not use the services of LRA and have not since the time that we dismissed them.

Senator McNAMARA. That is correct. But Mr. Kamenow is now in the same business, operating under another name, servicing the same accounts, according to the testimony that this committee had yesterday.

(The witness conferred with his counsel.).

Mr. EVANS. It is not true in accordance with our account, sir. We do not use that service, absolutely not.

Senator McNAMARA. You took them out of Michigan as well as Marion, Ohio?

Mr. EVANS. We do not use any consultant in the labor-relations field.

Senator McNAMARA. That is all.

The CHAIRMAN. The Chair will announce that the original affidavit that I read a while ago is here, and will therefore be placed into the record.

Is there anything further at this time?

The only thing about this is that your firm certainly paid out a lot of money on an expense account that, it seems, a good businessman would have done a little more than hesitate to pay, but would have just refused to pay it.

Anyway, the man was discharged, and you don't use their services any more. If they were doing what you say they were doing here, they have some kind of a racket which is not wholesome for the labor movement nor for management relations.

Mr. EVANS. I agree.

The CHAIRMAN. Is there anything further?

Mr. KENNEDY. Not at this time.

The CHAIRMAN. We may need you tomorrow.

Mr. NEHEMKIS. Is Mr. Hufert's presence required tomorrow?

Mr. KENNEDY. I don't think Mr. Hufert will be needed.

The CHAIRMAN. Do you want to excuse both of them?

Mr. KENNEDY. We are going further into this matter. I don't know whether they would want to stay or not.

The CHAIRMAN. You will be excused, gentlemen.

The committee will stand in recess until 10:30 in the morning.

(Committee members present at time of recess: Senators McClellan, Curtis, McNamara, and Ervin.)

(Whereupon, at 4:47 p. m., the committee was recessed, to reconvene at 10:30 a. m. Thursday, October 24, 1957.)

INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

THURSDAY, OCTOBER 24, 1957

UNITED STATES SENATE,
SELECT COMMITTEE ON IMPROPER ACTIVITIES
IN THE LABOR OR MANAGEMENT FIELD,

Washington, D. C.

The select committee met at 10:30 a. m., pursuant to Senate Resolution 74, agreed to January 30, 1957, in the caucus room, Senate Office Building, Senator John L. McClellan (chairman of the select committee) presiding.

Present: Senator John L. McClellan, Democrat, Arkansas; Senator Irving M. Ives, Republican, New York; Senator Sam J. Ervin, Democrat, North Carolina; Senator Pat McNamara, Democrat, Michigan; Senator Carl T. Curtis, Republican, Nebraska.

Also present: Robert F. Kennedy, chief counsel; Pierre E. G. Salinger, investigator; Walter Sheridan, investigator; Ruth Young Watt, chief clerk.

The CHAIRMAN. The committee will be in order.

(Members of the select committee present at the convening of the session were Senators McClellan, Ives, McNamara, and Curtis.)

The CHAIRMAN. We will proceed.

Mr. KENNEDY. Mr. Charles Litell, please.

The CHAIRMAN. Mr. Charles Litell, will you come around, please?

Do you solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. LITELL. I do, sir.

TESTIMONY OF CHARLES A. LITELL

The CHAIRMAN. Mr. Litell, state your name and your place of residence and your business or occupation.

Mr. LITELL. Charles A. Litell, 207 East George Street, Marion, Ohio. I am presently employed by Technical Services Corp.

The CHAIRMAN. Do you know of your right to have counsel present while you testify?

Mr. LITELL. Yes, sir.

The CHAIRMAN. Do you waive counsel?

Mr. LITELL. Yes, sir.

The CHAIRMAN. How long have you been in your present employment?

Mr. LITELL. Approximately 6 weeks, sir.

The CHAIRMAN. Where did you formerly work?

Mr. LITELL. Whirlpool Corp., sir.

The CHAIRMAN. What plant?

Mr. LITELL. Marion division, Marion, Ohio, division.

The CHAIRMAN. How long did you work there?

Mr. LITELL. From August 15 of 1955 to March 22 of 1956.

Mr. KENNEDY. During the period of 1950 to 1954 you were a member of the UAW-CIO, were you?

Mr. LITELL. Yes, sir.

Mr. KENNEDY. What plant was that?

Mr. LITELL. Marion industrial division of Motor Products Corp. in Marion.

Mr. KENNEDY. Did that plant close down?

Mr. LITELL. Yes, sir.

Mr. KENNEDY. Then you were unemployed and looking for a job.

Mr. LITELL. That is right.

Mr. KENNEDY. Did you go to the Ohio State Employment Agency, then?

Mr. LITELL. Yes, sir.

Mr. KENNEDY. Did they make arrangements for you to go to visit the Whirlpool Co.?

Mr. LITELL. That is right.

Mr. KENNEDY. Did they give you any instructions at that time?

Mr. LITELL. They did.

Mr. KENNEDY. What were they?

Mr. LITELL. They told me to be very careful how I talked regarding union affiliations because Whirlpool was antiunion.

Mr. KENNEDY. So you were interviewed; and did you go to the Whirlpool Co.?

Mr. LITELL. Yes, sir.

Mr. KENNEDY. Were you interviewed there?

Mr. LITELL. Yes, sir.

Mr. KENNEDY. Were you asked about the unions or were you asked about your union background?

Mr. LITELL. Very much so, sir.

Mr. KENNEDY. Did you tell them at that time that you were against unions?

Mr. LITELL. That is right, sir.

Mr. KENNEDY. You were hired, were you?

Mr. LITELL. By Harry Miller.

Mr. KENNEDY. By Harry Miller?

Mr. LITELL. Yes, sir.

Mr. KENNEDY. Who is Harry Miller?

Mr. LITELL. While I did not know who he was then, and I assumed he was part of Whirlpool manufacturing.

Mr. KENNEDY. But did you learn later on he was associated with Dr. Checov?

Mr. LITELL. Yes, sir.

Mr. KENNEDY. And he was from Labor Relations Associates?

Mr. LITELL. Yes, sir.

Mr. KENNEDY. And he was one of those who interviewed you?

Mr. LITELL. That is right.

Mr. KENNEDY. Did he tell you at that time that as a former member of the UAW-CIO that you could tell your fellow employees what happened when the union got into the plants?

Mr. LITELL. Very definitely so, sir.

Mr. KENNEDY. You went to work for the company, and did you subsequently meet Dr. Checov?

Mr. LITELL. Yes, sir.

Mr. KENNEDY. How long after did you meet Dr. Checov?

Mr. LITELL. Approximately 3 or 4 weeks. I had seen him in the plant, but I did not meet him personally until probably 3 or 4 weeks after I actually started working there.

Mr. KENNEDY. Did he come up and introduce himself to you; or what?

Mr. LITELL. Yes, sir.

Mr. KENNEDY. What did he say to you at that time?

Mr. LITELL. He told me he was Louis Checov and he would probably be seeing a lot of me in the future.

Mr. KENNEDY. What did he say? Did he say he was associated with the management at that time?

Mr. LITELL. He did not say so, no, sir. I assumed he was.

Mr. KENNEDY. Did he ever subsequently tell you what he was doing there?

Mr. LITELL. Yes, sir. One night after work he was waiting in the area where you ring out and he stopped me and asked me if I would meet him that evening.

Mr. KENNEDY. And you met him that evening, did you?

Mr. LITELL. Yes, sir.

Mr. KENNEDY. What did he say to you at that time?

Mr. LITELL. I met him at the Ritz Bar and Grille in Marion, Ohio, and he went into great detail about what his job was and what he intended to accomplish and that they had a great deal of money to accomplish it.

Mr. KENNEDY. What did he say his job was?

Mr. LITELL. To keep any union out of Whirlpool Corp., sir.

Mr. KENNEDY. To keep unions out of Whirlpool?

Mr. LITELL. Any unions.

Mr. KENNEDY. And he said that that is what he was working at and they had a great deal of money to accomplish it?

Mr. LITELL. Positively.

Mr. KENNEDY. What did he want you to do?

Mr. LITELL. He wanted me to organize a committee that he would instruct to accomplish this.

Mr. KENNEDY. Did you agree to do so?

Mr. LITELL. Yes, sir.

Mr. KENNEDY. Did you get a group of people together?

Mr. LITELL. That is right, sir.

Mr. KENNEDY. Could you tell us the names of some of the people?

Mr. LITELL. Malcolm Grounds and Eldon Phillips.

Mr. KENNEDY. That is the Mr. Phillips who furnished the affidavit yesterday?

Mr. LITELL. Henry Boles.

Mr. KENNEDY. They became chief members of the committee?

Mr. LITELL. Yes, sir, and Leroy Ambrose.

Mr. KENNEDY. There were about five people on the committee?

Mr. LITELL. That was the ones in mine, as well as personal contacts that Mr. Checov had himself.

Mr. KENNEDY. He had other personal contacts?

Mr. LITELL. Yes, sir.

Mr. KENNEDY. How would the committee function? What were you supposed to do?

Mr. LITELL. They were supplied every week with a list of every employee in the Marion division, that is management, hourly rated, everybody in the plant. This list was broken down into a code system. There were a series of lines to make columns and at the top of every column there was an initial, my initials, Grounds' initials, and each one of the persons.

Every week Louis Checov would go over this list and if one of us knew this particular person he would put, or I would, a plus or a minus indicating whether they were pro or antiunion.

The CHAIRMAN. What did the plus stand for and what did the minus stand for?

Mr. LITELL. The plus stood for against the union and the minus stood for with the union.

The CHAIRMAN. I did not quite get it, and it is not quite clear.

Mr. LITELL. The plus meant they were company people.

The CHAIRMAN. They would stay with the company?

Mr. LITELL. Yes, sir.

The CHAIRMAN. They were antiunion?

Mr. LITELL. Yes, sir.

The CHAIRMAN. And the minus meant what?

Mr. LITELL. The vice versa.

The CHAIRMAN. All right. I think it is clear now. Proceed.

I hand you a photostatic copy of a document here and will you examine it and state if you identify it.

Mr. LITELL. Well, I don't have to look at it very well, sir.

The CHAIRMAN. What is that?

Mr. LITELL. That is a photostat of those lists and all having addresses of all of the employees.

The CHAIRMAN. Did you have the original of that in your possession at any time?

Mr. LITELL. Many times, sir.

The CHAIRMAN. That is more or less your work sheet, was it?

Mr. LITELL. Yes, sir.

The CHAIRMAN. All right, that document may be made exhibit No. 8 for reference only.

(The document referred to was marked "Exhibit No. 8" for reference and may be found in the files of the select committee.)

Mr. KENNEDY. Where was this document obtained that you were able to get the names of all of the employees and their addresses?

Mr. LITELL. From Louis Checov, sir.

Mr. KENNEDY. Mr. Checov was able to get it?

Mr. LITELL. Yes, sir.

Mr. KENNEDY. Do you know where he obtained it from? If you don't know, don't say.

Mr. LITELL. No, sir.

Mr. KENNEDY. Did he ever say to you where he received it from and if you don't know, I don't want you to answer.

Mr. LITELL. He said where he got it.

Mr. KENNEDY. He told you where he got it?

Mr. LITELL. Yes, sir.

Mr. KENNEDY. Where was that?

Mr. LITELL. From the girls in the office, meaning Ted Hufert's office.

Mr. KENNEDY. Now, while you were operating and functioning, did Mr. Checov give you any extra money?

Mr. LITELL. Yes, sir.

Mr. KENNEDY. How often would he give you money?

Mr. LITELL. He would come to Marion every week and I would pick him up at the depot in Marion and take him to his hotel and he would usually give me \$20.

Mr. KENNEDY. That was because you were assisting in this anti-union committee?

Mr. LITELL. Well, and I was supposed to foot the bills for the rest of the committee with it.

Mr. KENNEDY. You would give some of the money to the rest of the committee?

Mr. LITELL. Yes, sir, occasionally.

Mr. KENNEDY. And he would also entertain you and take you out to dinners?

Mr. LITELL. Yes, sir.

The CHAIRMAN. You kept most of the \$20, did you?

Mr. LITELL. Sometimes, sir.

Mr. KENNEDY. Did he tell you whether he was keeping anybody in the plant advised as to the activities of what he was finding out about these employees?

Mr. LITELL. Yes, sir.

Mr. KENNEDY. Who did he say he was keeping advised?

Mr. LITELL. Mr. Hufert and Mr. Evans, sir.

Mr. KENNEDY. He was keeping them advised?

Mr. LITELL. Definitely so.

Mr. KENNEDY. As to what you were doing and how you were operating?

Mr. LITELL. That is right.

Mr. KENNEDY. Now, did you also make arrangements to visit homes of some of the employees?

Mr. LITELL. That is correct.

Mr. KENNEDY. And talk to them about the union?

Mr. LITELL. Yes.

Mr. KENNEDY. And find out again whether they were for the union or against the union?

Mr. LITELL. That is right.

Mr. KENNEDY. Did you contact relatives of the employees?

Mr. LITELL. Yes, sir.

Mr. KENNEDY. For what purpose was that?

Mr. LITELL. Mr. Checov instructed us to do that. If any employee became troublesome, and if you knew any of his relatives, to call them up and threaten him or pressure the employee to cease his union activities or he would lose his job.

Mr. KENNEDY. What about those employees—

Senator CURTIS. I did not get who it was that called up employees or their families and threatened them to be against the union or they would lose the job.

Mr. LITELL. One of the committee, sir.

Senator CURTIS. One of the committee?

Mr. LITELL. Yes, sir.

Senator CURTIS. Would you name them?

Mr. LITELL. Who made an actual call, you mean?

Senator CURTIS. Yes.

Mr. LITELL. Well——

Senator CURTIS. Did you make any?

Mr. LITELL. Yes, sir.

Senator CURTIS. Whom did you call?

Mr. LITELL. A Mrs. Ramsey, sir.

Senator CURTIS. What did you tell her?

Mr. LITELL. I talked to her, and I think we called her from Malcolm Grounds' home, and I think that Henry Boles talked to her.

Senator CURTIS. What did you tell her?

Mr. LITELL. We told her that her son, Dick Ramsey, an employee in the plant, was in danger of losing his job as he was engaging in union activities.

Senator CURTIS. Was he engaging in union activities?

Mr. LITELL. Yes, sir.

Senator CURTIS. Did he lose his job?

Mr. LITELL. No, sir.

Senator CURTIS. That is all for now.

The CHAIRMAN. Did he cease those activities afterward?

Mr. LITELL. Yes; he did, sir.

Senator CURTIS. Is that why he did not lose his job?

Mr. LITELL. Well, I can only guess. I think it is, sir.

The CHAIRMAN. How many others? How many others did you call?

Mr. LITELL. That is the only one that I called, sir.

The CHAIRMAN. Do you know of others being called?

Mr. LITELL. Well, I don't know if the calls were actually made. I know they were discussed, and I know that people were told to call them. Whether they did or not, I don't know.

The CHAIRMAN. I have a card here on Richard L. Ramsey, Box 30, Green Camp, and it has some notation on it. I will ask you to examine this card and see if you can identify it.

(A document was handed to the witness.)

Mr. LITELL. Yes, sir; that is Mr. Ramsey's card.

The CHAIRMAN. Who made the notation on it?

Mr. LITELL. Jake Ambrose.

The CHAIRMAN. Jake Ambrose made that?

Mr. LITELL. Jacob Leroy Ambrose made the notations.

The CHAIRMAN. Is that one of many cards that you had on employees?

Mr. LITELL. That is right, sir.

The CHAIRMAN. That card may be made exhibit No. 9.

(The document referred to was marked "Exhibit No. 9" for reference and will be found in the appendix on p. 6222.)

The CHAIRMAN. Now, I hand you another card on Richard Creager and it has some comment on it. He is of 240 Lincoln Avenue, Marion. Will you examine that card and state if you identify that card?

(A document was handed to the witness.)

Mr. LITELL. Yes, sir; I know that card.

The CHAIRMAN. You know that card?

Mr. LITELL. Yes, sir.

The CHAIRMAN. Whose handwriting is on that, that made the notations; do you know?

Mr. LITELL. That is myself and Henry Boles, sir.

The CHAIRMAN. You two made the notation on that card?

Mr. LITELL. Yes, sir.

The CHAIRMAN. That card may be made exhibit No. 10.

(The document referred to was marked "Exhibit No. 10" for reference and will be found in the appendix on p. 6223.)

The CHAIRMAN. For the record, if you will let me have the card, I will comment upon what it shows. I will take the first one first, the card on Ramsey. I see here it shows after his name the word "paint." What does that mean?

Mr. LITELL. The paint department.

The CHAIRMAN. He is in the paint department?

Mr. LITELL. Yes, sir.

The CHAIRMAN. It is dated January 28, 1956, and it has under the notations here "by J. A."

Mr. LITELL. By Jacob Ambrose, that is, sir.

The CHAIRMAN. It has under comment out here, after his name, it says, "No good," underscored. What does that mean?

Mr. LITELL. It means he was a prounion, sir.

The CHAIRMAN. Then down below, it says, "He won't vote for union. I think he will." Who wrote that, do you know?

Mr. LITELL. I don't know exactly. Either I or Jake Ambrose wrote it, sir.

The CHAIRMAN. Look at it again, and can you identify your own handwriting?

Mr. LITELL. I think so.

The CHAIRMAN. All right, take a look at it.

(A document was handed to the witness.)

Mr. LITELL. That is mine, sir.

The CHAIRMAN. That is your handwriting?

Mr. LITELL. Yes, sir.

The CHAIRMAN. You made that notation where it says he wouldn't vote for a union but "I think he will"?

Mr. LITELL. Yes, sir.

The CHAIRMAN. That is your handwriting?

Mr. LITELL. Yes, sir. The reason I didn't recognize it instantly is some of these cards were wrote laying them on the car seat after people came out of the house.

The CHAIRMAN. Laying on the car seat?

Mr. LITELL. I mean they were using the seat for a desk, sort of.

The CHAIRMAN. Is that the Ramsey you testified about, the person whose mother you called and talked to her?

Mr. LITELL. Yes, sir.

The CHAIRMAN. This Creager card, exhibit No. 10, examine that and state whose handwriting is on there, and read the notation on it.

Mr. LITELL. I think that is Henry Boles' handwriting.

The CHAIRMAN. What does the notation say on there after his name?

Mr. LITELL. "Talked to boy's mother and father. Will talk to Dick later. Parents will talk to Dick."

The CHAIRMAN. Who initialed it?

Mr. LITELL. Henry Boles, and he put my initials.

The CHAIRMAN. Did you know about the call?

Mr. LITELL. I was with him, sir.

The CHAIRMAN. You were with him when he called?

Mr. LITELL. Yes, sir.

The CHAIRMAN. Now I hand you a stack of cards, from which stack those two cards were drawn. I ask you now to examine this stack and see if those are some of, all of, or the cards that you used in that card system.

You need not take time to identify each card, but satisfy yourself whether those appear to be the original card that you used in this check you made.

Mr. LITELL. Those are the cards, sir.

The CHAIRMAN. Those are the cards. That bundle of cards may be made exhibit No. 11 for reference.

(The cards referred to were marked "Exhibit No. 11" for reference and may be found in the files of the select committee.)

The CHAIRMAN. Do you know how many people that you checked on and reported on to Checov?

Mr. LITELL. I have no idea, sir.

The CHAIRMAN. All right, Mr. Counsel, proceed.

Mr. KENNEDY. Was any action taken against those who continued to be in favor of the union?

Mr. LITELL. Yes, sir.

Mr. KENNEDY. How was this described to you, as to what would be done?

Mr. LITELL. They were assigned heavier workloads, and other employees were told by their foremen to complain about them, saying they weren't doing their work. At times they were even called in. In fact, Jake Ambrose was called in and told he would lose his job if he didn't cease his union activities.

Mr. KENNEDY. He had formerly been for the union?

Mr. LITELL. Yes, sir.

Mr. KENNEDY. And he was called in and told he better cease that?

Mr. LITELL. Yes, sir. That is when he became a ball of fire for the company.

The CHAIRMAN. Became what?

Mr. LITELL. A hard worker, sir.

The CHAIRMAN. After he decided he wasn't going to get into the union, he became a hard worker, is that what you mean?

Mr. LITELL. Yes, sir.

The CHAIRMAN. I don't know all the angles to this, but go ahead.

Mr. KENNEDY. You mean that he became violently in favor of the company? Is that right?

Mr. LITELL. Yes, sir.

Mr. KENNEDY. Did you ever speak to Mr. Checov regarding Mr. Beck, Mr. Dave Beck?

Mr. LITELL. Mr. Checov discussed Dave Beck and Jimmy Hoffa both with me, sir.

Mr. KENNEDY. What did he say about Mr. Beck?

Mr. LITELL. After he had—after Checov had been around Marion a considerable time, I accused—I approached him about I thought the company was trying to get an independent union in. Mr. Checov became very excited and denied this. In fact, he told me that his boss was very friendly with Jimmy Hoffa and Dave Beck. He said if there was going to be any union in the Marion division of Whirlpool, it

would be the teamsters, because they could—meaning his company—could put that union in practically overnight.

Mr. KENNEDY. Just for the record, Mr. Chairman, although we do have the information regarding the friendly relationship between Mr. Shefferman and Mr. Beck, we don't have any independent information that Mr. Shefferman was friendly with Mr. Hoffa. I don't question that he said that, but this is just as far as our records go.

The CHAIRMAN. The records already shows the very fine relationship and profitable relationship, I think, between Mr. Beck and Mr. Shefferman. That record will stand as to what the relationship was with Mr. Hoffa.

Mr. KENNEDY. You say Dr. Checov said he was keeping the company informed as to your activities?

Mr. LITELL. Positively, sir.

Mr. KENNEDY. Did you, on your part, ever have any conferences with anybody from the company, from the Whirlpool Co., regarding your operations and what you were finding out?

Mr. LITELL. Yes, sir.

Mr. KENNEDY. Who did you have your conferences with?

Mr. LITELL. Ted Hufert, sir.

Mr. KENNEDY. You met and talked with Mr. Hufert?

Mr. LITELL. Many times, sir.

Mr. KENNEDY. Did you make reports to Hufert on these individuals that you were checking on?

Mr. LITELL. Yes sir. In fact, Mr. Hufert was very receptive to this information.

Mr. KENNEDY. Did you always visit him individually and alone?

Mr. LITELL. No, sir.

Mr. KENNEDY. Were you ever there with anyone else?

Mr. LITELL. Yes, sir; Mack Grounds.

Mr. KENNEDY. Mack Grounds?

Mr. LITELL. Yes, sir.

Mr. KENNEDY. He was present when you made one of these reports to Mr. Hufert?

Mr. LITELL. Yes, sir.

Mr. KENNEDY. Subsequently you turned against your antiunion activities; isn't that right?

Mr. LITELL. Yes, sir.

Mr. KENNEDY. Could you tell us why that happened?

Mr. LITELL. They just were too vicious for me, sir. I didn't realize what I was getting into, I guess. But the measures that they would take to pressure people and to put them in a position to where they had to do what they wanted them to do.

Mr. KENNEDY. You were doing it yourself, were you not?

Mr. LITELL. Yes, sir; and I am very much ashamed of myself, sir.

Mr. KENNEDY. So what did you do about this, then?

Mr. LITELL. I told Mr. Checov that I was going to have nothing to do with it, and that he better stay away from me, because there was going to be a lot of trouble.

Mr. KENNEDY. Did you go to the UAW then?

Mr. LITELL. Yes, sir.

Mr. KENNEDY. Who did you go see?

Mr. LITELL. Emerson Barringer.

Mr. KENNEDY. Did you tell him what you had been doing?

Mr. LITELL. Everything, sir.

Mr. KENNEDY. And Barringer was a representative of the UAW-CIO?

Mr. LITELL. That is right, sir.

Mr. KENNEDY. Did you turn over these cards?

Mr. LITELL. Yes, sir.

Mr. KENNEDY. Did you continue to work at Whirlpool?

Mr. LITELL. Until March 22; yes, sir.

Mr. KENNEDY. Then what happened?

Mr. LITELL. They fired me, sir.

Mr. KENNEDY. What had you done that made them fire you?

Mr. LITELL. Well, on this particular day I had brought some balloons into the plant and they had "Join UAW-CIO" on them. I had inflated them and had 2 tied to my lunch pail and also 2 to the desk that was used by the foreman and I. The foreman told me to remove them from the desk. He said that was company property. Which I did. I turned around and stuck them with my penknife. He then told me to remove them from my lunch pail, and I refused. So then he told me to put my lunch pail in my locker. I said I would do that if he made everybody else in the plant put theirs in their locker. He said he didn't care what everybody else did, I was going to put mine in or else he was going to remove the balloons.

I told him he better not remove them and that I would not take them off. So it ended up they locked me in an office and put a guard at the door.

Mr. KENNEDY. With the balloons?

Mr. LITELL. Yes, sir. I still didn't take them off. They were still on there, sir. In fact, when I left the plant they were still on there. They locked me in this office and put a guard on the door and left me in there for some time, and then when they came back they told me I was fired for insubordination.

(At this point Senator Ervin entered the hearing room.)

Mr. KENNEDY. Did you bring a charge then before the NLRB?

Mr. LITELL. Yes, sir.

Mr. KENNEDY. And at that time did Mr. Checov leave town, Dr. Checov?

Mr. LITELL. Checov left, as far as I know, the day that I was fired. He came to my station where I was working and started a conversation as to my activities against him, and said he thought I was his friend, and I told him that I still was his friend. Then he asked me how I would like to be in a job like his. I said "I don't know what you mean."

He said "I am prepared right now to set you up in business where you will make considerable money, in fact, more than you will ever think about making in Marion. But you will have to go to Chicago."

So I just laughed and I said, "That is a nice way of getting me out of Marion. No thanks."

He said "Is that the way it is, Charley?"

And I said "That is the way it is, Lou."

He left and that is the last I ever seen of him.

Mr. KENNEDY. After you were fired, the charges were brought before the National Labor Relations Board by the UAW-CIO and, as

I understand it, subsequently the company posted a notice that they would cease and desist certain activities, the formation of an anti-union activity, and they gave you your back pay plus \$2,000; is that right?

Mr. LITELL. Yes, sir.

Mr. KENNEDY. The Labor Relations Associates, Dr. Checov, or the Shefferman firm, were not brought in on that charge; is that right?

Mr. LITELL. No, sir.

Mr. KENNEDY. The original charge.

Mr. LITELL. No, sir; they were not.

Mr. KENNEDY. Did you subsequently try to bring an unfair labor practice charge against them?

Mr. LITELL. Yes, sir.

Mr. KENNEDY. Had you been initially told by the examiner out there that it couldn't be brought against the third party?

Mr. LITELL. Against them or NLRB, both. I tried to file against both of them.

Mr. KENNEDY. Because you didn't feel you had gotten the right treatment about it?

Mr. LITELL. There was no question in my mind, sir.

Mr. KENNEDY. But it ultimately ended up so that at the present time you are unemployed, is that right?

Mr. LITELL. I am working now.

Mr. KENNEDY. Where are you working now?

Mr. LITELL. For Technical Services Corp., sir.

Mr. KENNEDY. That is all at this time.

Senator McNAMARA. Mr. Chairman?

The CHAIRMAN. Senator McNamara.

Senator McNAMARA. I would like to ask the witness a question. Why did you agree to form a committee to help keep unions out of the plant?

Mr. LITELL. Sir, when you have a family and you are out of work for some time, as I was, sometimes you don't analyze things as you should. I had been out of work for pretty near a year, partly due to my association being a union officer, I think. Marion isn't a large town. Being right doesn't pay the bills. I took the job. Like I say, I didn't fully realize the extent that they were going to go or they were going to expect me to go.

Senator McNAMARA. You took it for money for your family to help support your family, is that your answer?

Mr. LITELL. I took the job, yes, sir.

Senator McNAMARA. For money?

Mr. LITELL. Yes, sir.

Senator McNAMARA. You had been with the UAW-CIO for 4 years before that as a steward, part of the time?

Mr. LITELL. That is right, sir.

Senator McNAMARA. During that 4-year period, you probably had a name for people who did what you were doing. Did you think about them as labor spies or stoolpigeons? Which term did you use?

Mr. LITELL. Spies, I guess, sir.

Senator McNAMARA. Labor spies?

Mr. LITELL. Yes, sir.

Senator McNAMARA. You considered yourself a labor spy for the company?

Mr. LITELL. I guess if I had to face it I would, yes, sir.

Senator McNAMARA. Well, I guess you have to face it now.

Mr. LITELL. Yes, sir.

Senator McNAMARA. And they paid you part of this \$20 a week that was handed to you for being a labor spy for the company?

Mr. LITELL. Yes, sir.

Senator McNAMARA. You were working pretty cheap, were you not?

Mr. LITELL. Very, sir.

Senator McNAMARA. Who set up the card system that we have here? That is, these cards that you identified?

Mr. LITELL. Well, the entire committee and Louis Checov collectively, sir. Do you want to know whose idea it was?

Senator McNAMARA. Yes.

Mr. LITELL. Well, Mr. Checov and I discussed various means. As he put it, he said, "From your record, you used to be pretty successful organizing, so wouldn't the opposite work, of disorganizing?" Which I agreed to. He said, "I know that house calls play an important part in organizing any union."

And then he said, "So why don't we make house calls to disorganize them?"

I had to agree that that made sense. He asked, "How do you do it?" and I said, "Well, you give people cards to go call on people."

He said, "All right; we will give people cards and call on people."

Senator McNAMARA. Who made up the cards?

Mr. LITELL. Louis Checov.

Senator McNAMARA. He made up the cards and gave them to you?

Mr. LITELL. Yes, sir. He made those up from the company employment records. I observed him doing that.

Senator McNAMARA. Apparently he had complete cooperation from the management to have access to the files.

Mr. LITELL. Very definitely, sir.

Senator McNAMARA. This is his handwriting on the cards where the names appear, and the addresses of the people?

Mr. LITELL. Yes, sir.

Senator McNAMARA. He turned the cards over to your committee? How big was your committee? How large, how many people?

Mr. LITELL. Four people besides myself, sir. That will require some explanation. These people themselves had people working for them.

Senator McNAMARA. Did they pay these other people?

Mr. LITELL. Who do you mean by "they," sir?

Senator McNAMARA. Well, you said they had people working for themselves. I assume that you mean by "they," these four that were associated with you in forming the committee. Is that who you meant when you say "they"?

Mr. LITELL. Yes, sir.

Senator McNAMARA. That is who I mean, too.

Mr. LITELL. Not that I know of.

Senator McNAMARA. You assume that they, these other four people, got paid part of the \$20 every time the man came to town?

Mr. LITELL. Well, I don't know for sure, sir, but I think two of them did.

Senator McNAMARA. Are they still acting as what you call labor spies for the company, as far as you know?

Mr. LITELL. I don't know, sir.

Senator McNAMARA. They are all working there?

Mr. LITELL. Yes, sir.

Senator McNAMARA. This business of attempting to form an independent union that you heard about, wasn't that more or less what you were doing, trying to form a company union? Just what was your role?

Mr. LITELL. No, sir; we weren't trying to form no union. At least I wasn't.

Senator McNAMARA. You just wanted to keep all unions, including independent unions, out? Is that it?

Mr. LITELL. Yes, sir.

Senator McNAMARA. Mr. Checov, Dr. Checov, told you that rather than have an independent union he would rather have the teamsters, is that it?

Mr. LITELL. He didn't say he would rather, sir. He said they would have the teamsters.

Senator McNAMARA. Rather than an independent union?

Mr. LITELL. Yes, sir. Rather than any union.

Senator McNAMARA. Including an independent union?

Mr. LITELL. Yes, sir.

Senator McNAMARA. That is what I understood you to say.

Do you know anything about the teamsters union?

Mr. LITELL. All I know is they are a pretty rough outfit. I know that.

Senator McNAMARA. What do you mean by rough?

Mr. LITELL. Just that, sir. They are nasty.

Senator McNAMARA. Well, you must have something in mind when you say rough. I don't know what you mean by that.

Mr. LITELL. I mean that they do as they are told, the members, I understand.

Senator McNAMARA. Well, didn't you find when you were a member of the UAW-CIO that they pretty much did as they were told, too? Isn't that pretty true of all unions?

Mr. LITELL. Yes, sir.

Senator McNAMARA. Then you make no distinction, then, in your mind between the teamsters and other unions in that regard, members doing what they are told?

Mr. LITELL. Well, I understand the teamsters are a little more forceful in outlining the rules to the members.

Senator McNAMARA. You don't think that the members make their own rules, but somebody else makes them. Is that it?

Mr. LITELL. Definitely, sir.

Senator McNAMARA. You didn't find that to be true in the UAW-CIO? Is that the distinction that you make?

Mr. LITELL. No, I can't say that, either, sir. I can't say that you always had a hand in making the rules in the UAW, either.

Senator McNAMARA. Then you say there is no difference between the unions, in fact?

Mr. LITELL. I guess just—I guess not, sir. I think the teamsters are still a little more forceful.

Senator McNAMARA. Now that you apparently have gotten religion again, and you are sort of working for the union rather than against it, as you were, it is strange to me that you seem to go out of your way to blacken some unions, for instance, the teamsters. Maybe you haven't got religion all the way yet. Maybe you are halfway home.

Mr. LITELL. I don't think I have gotten religion, sir.

Senator McNAMARA. You are still antiunion?

Mr. LITELL. I am not antinothing, sir. I am not in nothing no more.

Senator McNAMARA. You must be in something. While you are alive you are in something, you know.

Mr. LITELL. No, sir. No, sir. I am not in nothing.

Senator McNAMARA. Who paid you the \$2,000? You said it was paid by the company. Who paid it to you? Actually, who handed it to you?

Mr. LITELL. It was mailed to me, sir, a check.

Senator McNAMARA. Who was the check signed by?

Mr. LITELL. Mr. Schroeder, I believe is the way he pronounces his name, of Whirlpool Corp.

Senator McNAMARA. It was a Whirlpool Co. check?

Mr. LITELL. Yes, sir.

Senator McNAMARA. Signed by one of their officers?

Mr. LITELL. That is right.

Senator McNAMARA. And that \$2,000 was paid to you so that you would drop the case that was started in your behalf with the National Labor Relations Board?

Mr. LITELL. No, sir.

Senator McNAMARA. What was it paid to you for?

Mr. LITELL. I don't know, sir. I have never been able to find out exactly what it was for. I never agreed to drop the case.

Senator McNAMARA. Well, prior to receiving the \$2,000, you were insisting that you had a right to be hired at Whirlpool, is that not right? That was your case before the NLRB?

Mr. LITELL. The case before the NLRB was that I was unjustly discharged, sir. Yes, sir.

Senator McNAMARA. And that you were entitled to go back to work?

Mr. LITELL. Yes, sir.

Senator McNAMARA. After you had gotten the \$2,000 you had ceased activities in trying to get back on the job?

Mr. LITELL. No, sir.

Senator McNAMARA. You still tried to get back despite the \$2,000?

Mr. LITELL. Yes, sir.

Senator McNAMARA. Then the \$2,000 was for absolutely nothing?

Mr. LITELL. I don't know what it was for, sir.

Senator McNAMARA. Perhaps it was a bonus for acting as a labor spy, is that your idea?

Mr. LITELL. I can't say, sir. I don't know what the check was for.

Senator McNAMARA. Since you were doing it for so little money before, it seems logical to me that they should give you a bonus for

the good work you did in helping to keep the union out. Maybe that is what it was for. You didn't ask them for the \$2,000?

Mr. LITELL. No, sir.

Senator McNAMARA. This wasn't a shakedown on your part?

Mr. LITELL. No, sir. I had no part in it.

Senator McNAMARA. They voluntarily sent you \$2,000 and you were surprised to receive it?

Mr. LITELL. I knew that some sort of an arrangement like that was happening, sir.

Senator McNAMARA. Well, now, an arrangement takes at least two people. Were you 1 of the 2 people that entered into the arrangement, or did somebody else do it for you?

Mr. LITELL. Somebody else.

Senator McNAMARA. Who?

Mr. LITELL. Emerson Barringer.

Senator McNAMARA. You mean that the UAW insisted that the company pay this labor spy \$2,000?

Mr. LITELL. Evidently that is the way it was settled, sir.

Senator McNAMARA. That doesn't make any sense.

Mr. KENNEDY. Maybe I can clear it up.

Senator McNAMARA. I hope you can. It is confusing.

Mr. KENNEDY. He was fired and there was this charge put before the National Labor Relations Board that was handled by the union. A representative of the company agreed with the union that the company would post this notice that they would not participate in these activities any longer, that they would pay Mr. Litell his back pay plus \$2,000. I believe there was another person involved, and they agreed to take the second party back on, who they had fired, according to the Board's feeling or according to this arrangement, unjustly or unfairly. The \$2,000 was in addition to the back pay. It was to insure that Mr. Litell wouldn't come back to work for the Whirlpool Co.

That was an arrangement that was made, and Mr. Litell signed an agreement to that effect.

Mr. Litell, without getting into all of those details, Mr. Litell has been unhappy about that ever since. Mr. Litell feels that he should have gotten his job back, and that he shouldn't have agreed to that. But he did, in fact, agree to it, and he has to face up to it. That is all. He is unhappy about it.

The CHAIRMAN. In other words, the company, rather than take him back, which maybe he was entitled to under the fair labor practices, and according to the way the Board ruled, the company compromised with him by him signing a release not to come back to work and accepting the \$2,000 and his back pay.

Is that right?

Mr. LITELL. Substantially, yes, sir.

The CHAIRMAN. Where is it unsubstantially?

Mr. KENNEDY. Mr. Litell has a long story all about his complaints, and which are not really relevant to the committee.

Senator CURTIS. Senator McNamara, are you through?

Senator McNAMARA. No. I will be glad to yield to you at this point, if you wish. I would like to pursue this same point.

Senator CURTIS. You go ahead.

Senator McNAMARA. Who suggested to you that you sign this paper?

Mr. LITELL. Mr. Barringer, sir.

Senator McNAMARA. Were you then a member of the UAW-CIO?

Mr. LITELL. Yes, sir.

Senator McNAMARA. Are you now a member of the UAW-CIO?

Mr. LITELL. No, sir.

Senator McNAMARA. You just quit paying dues? Is that how come you are not a member?

Mr. LITELL. Yes, sir; I guess that is right.

Senator McNAMARA. Why did you take the \$2,000 if you didn't want to settle the case in that manner? I mean, why didn't you send it back?

Mr. LITELL. Because it had \$500 of mine in it, sir. It was \$2,565, I guess.

Senator McNAMARA. Well, there was no question in your mind but what you were entitled to the \$650, or whatever the figure was, because that was back pay, and you were entitled to that?

Mr. LITELL. Yes; that is right, sir.

Senator McNAMARA. Then you could have cashed the check and sent the \$2,000 back, couldn't you, if you didn't want to settle?

Mr. LITELL. I suppose.

Senator McNAMARA. How come you signed it? Who put pressure on you to sign it if you didn't want to sign it?

Mr. LITELL. The paper I signed, sir, said, if I can remember it correctly, "I decline your offer of employment." I don't see how I could decline something I was never offered. Mr. Barringer told me that unless I signed this paper he was going to wash his hands of the whole deal. He explained to me that in exchange for this paper he would get a signed agreement from Whirlpool that they would obtain me a similar job in the Marion area. He said, "The case is already settled; there is nothing you can do about it. You might as well forget it."

He said, "If you don't sign this paper, you are not even going to get the agreement from Whirlpool that they are going to get you another job."

Senator McNAMARA. Were you a member of the UAW-CIO all the time you were acting as what you term a labor spy?

Mr. LITELL. Not all the time, sir.

Senator McNAMARA. Part of the time you were a member of the union?

Mr. LITELL. Yes, sir.

Senator McNAMARA. And acting as a spy for the company?

Mr. LITELL. Yes, sir.

Senator McNAMARA. And you spied in union meetings and such places for the company, too?

Mr. LITELL. No, sir.

Senator McNAMARA. How did you separate yourself? When you went to the meetings you were not a union spy?

Mr. LITELL. I never went to the meetings; no, sir.

Senator McNAMARA. You just paid your dues and didn't go to a union meeting?

Mr. LITELL. I never went to a union meeting during this time.

Senator McNAMARA. Even though you were paying dues?

Mr. LITELL. No, sir; I wasn't paying dues——

Senator McNAMARA. You were a member of the UAW part of the time, but during the time you were a member of the UAW you didn't go to any meetings?

Mr. LITELL. No, sir.

Senator McNAMARA. That is the situation?

Mr. LITELL. Yes, sir.

Senator McNAMARA. You are not a member of any local union now; are you?

Mr. LITELL. No, sir; I am not.

Senator McNAMARA. Are you available for labor-spy work now if somebody comes along and offers you \$20 a week or less?

Mr. LITELL. No, sir.

Senator McNAMARA. That is all.

Senator CURTIS. Mr. Chairman?

The CHAIRMAN. Senator Curtis.

Senator CURTIS. Mr. Litell, when you went to the employment agency, who did you talk to there?

Mr. LITELL. Do you want that I should name the person, sir?

Senator CURTIS. Yes. Yes, I want to know who.

Mr. LITELL. Irene Cunningham, sir.

Senator CURTIS. And what did she say about employment at Whirlpool?

Mr. LITELL. She told me I should keep my nose clean, in her words, and watch how I conducted myself as Whirlpool was very antiunion. Miss Cunningham is acquainted with me and knows of my past affiliations with unions prior to this time.

Senator CURTIS. Were you antiunion at the time that you applied for a job?

Mr. LITELL. Not particularly, sir.

Senator CURTIS. What did you say about unions when you applied for your job?

Mr. LITELL. When I talked with Mr. Miller, it wasn't too difficult to see what he was getting at. I mean, I understood what he meant and he would say one thing and I knew he meant something else. It is hard to explain.

Senator CURTIS. What was said?

Mr. LITELL. He talked about the union at Marion Industries and the difficulty that they had there and about Marion Industries going out of business, and he talked about some difficulty that I had with Mr. Barringer during this Marion Industries drive.

Senator CURTIS. Now, Mr. Barringer, he is the UAW man?

Mr. LITELL. Yes, sir.

Senator CURTIS. And you had some difficulties with him?

Mr. LITELL. Yes, sir.

Senator CURTIS. What were those difficulties?

Mr. LITELL. Well, I and several other employees were working on the drive of Marion Industries, which Mr. Barringer was directing. We did not feel Mr. Barringer was devoting the time that he should to the drive. We wrote a letter to the international union complaining about Mr. Barringer's activities and the way he was conducting himself.

Senator CURTIS. You were a shop steward in that previous job?

Mr. LITELL. Yes, sir, and committeeman, yes.

Senator CURTIS. Were many of those employees from the plant, from your former plant, were any of them hired by Whirlpool?

Mr. LITELL. Some were; yes, sir.

Senator CURTIS. Were they union members?

Mr. LITELL. Sir, when a plant is organized, they are all union members.

Senator CURTIS. Yes; but what I mean is these employees from your previous plant who went over to Whirlpool, they were union members, were they?

Mr. LITELL. Oh, yes, sir.

Senator CURTIS. Did they all say they were antiunion when they applied?

Mr. LITELL. Well, I don't know what they said, sir, and I wasn't present when they were interviewed and so I wouldn't know.

Senator CURTIS. Now, what persons to your knowledge knew of your association with Dr. Checov?

Mr. LITELL. My wife, Ted Hufert, Mr. Evans.

Senator CURTIS. How did your wife know about it?

Mr. LITELL. Mr. Checov had been to our house, sir.

Senator CURTIS. Who was the next person you named?

Mr. LITELL. Mr. Ted Hufert.

Senator CURTIS. How did he know about it?

Mr. LITELL. He talked to me about Mr. Checov and about our work and about our activities.

Senator CURTIS. Where did he talk to you about that?

Mr. LITELL. In his office, sir, and on the phone.

Senator CURTIS. Can you remember any specific instance?

Mr. LITELL. Yes, sir.

Senator CURTIS. Tell me about it.

Mr. LITELL. One night Mr. Checov called me at my home and he was quite concerned about an employee named Hurruff. Mr. Checov called me and discussed Hurruff's activities. He was particularly pro-IAM.

Senator CURTIS. What is that?

Mr. LITELL. International Association of Machinists, sir.

Senator CURTIS. All right.

Mr. LITELL. He asked me what I thought of him and about his activities and whatnot. Anyhow, Checov had learned somewhere that the company was planning to promote this Hurruff. So he called Ted Hufert and talked to him about it.

Senator CURTIS. Were you present when he called?

Mr. LITELL. No, sir; but I am getting to that.

Senator CURTIS. All right.

Mr. LITELL. He called Ted Hufert and talked to him and he called me back and told me to talk to Mr. Hufert, which I did. And Mr. Hufert assured me that Hurruff would be promoted—and his exact words were—"over my dead body," meaning Mr. Hufert's.

Senator CURTIS. Who said that?

Mr. LITELL. Mr. Hufert did, sir.

Senator CURTIS. You initiated the telephone call?

Mr. LITELL. No; Checov called me, sir.

Senator CURTIS. But I mean the conversation between you and Mr. Hufert?

Mr. LITELL. Yes, sir.

Senator CURTIS. And what did you tell him when you called?
Mr. LITELL. I didn't have to tell him very much. He and Checov had already talked.

Senator CURTIS. What did you tell him?

Mr. LITELL. I called him and told him that I had talked to Lou Checov about Hurruff and he said, "Yes, I got a call from him too." Those might not be his exact words but—

Senator CURTIS. Then what was said?

Mr. LITELL. He told me that I needn't worry about Hurruff being promoted, that if he was promoted it would be over his dead body.

Senator CURTIS. Did you favor Hurruff's promotion?

Mr. LITELL. Not particularly, I didn't care, sir.

Senator CURTIS. You did not care?

Mr. LITELL. No.

Senator CURTIS. Now, in what other instances did Mr. Hufert know of your association with Checov?

Mr. LITELL. Well, he talked to me about Checov's and my activities and what a wonderful job they were doing.

Senator CURTIS. What a wonderful job you were doing?

Mr. LITELL. Yes, sir.

Senator CURTIS. What did he say?

Mr. LITELL. I don't know exactly what we talked about. I think at the time we were talking about an employee named Napper, Herman Napper, who was a former Marion Industries employee and that was the time Mack Grounds and I talked to Mr. Hufert about Napper.

Senator CURTIS. Did you go in to see him or did he send for you, which?

Mr. LITELL. Mack Grounds and I both went in.

Senator CURTIS. On your own idea?

Mr. LITELL. Yes, sir. Checov had instructed us to tell Mr. Hufert anytime that a prospective employee came through the plant, that we did not feel was a safe risk and we should report to Mr. Hufert if he, Checov, was not in town.

Senator CURTIS. Well, now, over how long a period of time did Mr. Checov give you money?

Mr. LITELL. I would say 5 or 6 months, sir, at the most.

Senator CURTIS. How often a month would he do it?

Mr. LITELL. He would usually come into town every week.

Senator CURTIS. But how often would he give you money?

Mr. LITELL. I can't say exactly how often, sir, and I really didn't keep track of it myself. But I would say usually, I believe I would be safe in saying every week, although it was not exactly every week.

Senator CURTIS. Now, you gave some of that money to others?

Mr. LITELL. Yes, sir.

Senator CURTIS. Whom did you give it to?

Mr. LITELL. On two instances I remember, Henry Boles.

Senator CURTIS. Henry Boles, B-o-l-e-s?

Mr. LITELL. Yes, sir.

Senator CURTIS. And who else?

Mr. LITELL. That is all directly that I gave it to.

Senator CURTIS. Whom did you give money to indirectly?

Mr. LITELL. Well, when we were together I would pay the bills, usually.

Senator CURTIS. Now, what persons knew about these cards, this stack of cards before us here?

Mr. LITELL. Myself, Henry Boles, Mack Grounds, and Jake Ambrose, and Eldon Phillips and various other people.

Senator CURTIS. Who were those other people?

Mr. LITELL. All employees at Whirlpool, sir.

Senator CURTIS. Are all those you have named, are they employees?

Mr. LITELL. Yes, sir.

Senator CURTIS. Who, other than employees, knew about these cards to your knowledge, and by other people, I mean saw them or had something to do with them?

Mr. LITELL. Well, Emerson Barringer saw them when I turned them over to him.

Senator CURTIS. That was afterward?

Mr. LITELL. Yes, sir. You mean while they were in use who knew about it?

Senator CURTIS. Yes.

Mr. LITELL. I don't know, sir, who would be, and I don't see how anybody outside of the employees would ever have any opportunity to see them because Checov had instructed the committee to be very careful when talking to the employees not to let them see the cards.

Senator CURTIS. To your knowledge, Checov was the only person other than an employee who saw these?

Mr. LITELL. Yes, sir.

Senator CURTIS. To your knowledge, did anyone from management ever see them?

Mr. LITELL. Well, I don't know exactly, sir.

Senator CURTIS. I mean to your knowledge.

Mr. LITELL. No, sir.

Senator CURTIS. Now, when did you turn them over to Mr. Barringer?

Mr. LITELL. In March of 1956, sir.

Senator CURTIS. In March of 1956?

Mr. LITELL. Yes, sir.

Senator CURTIS. Was that before or after you were fired?

Mr. LITELL. After I was fired, sir.

Senator CURTIS. Were any of these cards that are marked "pro-union," do they represent people who were employed, who were hired?

Mr. LITELL. Yes, sir.

Senator CURTIS. Do you know quite a number of the employees who were working at Whirlpool when you were there?

Mr. LITELL. I knew very many of them, sir, yes, sir.

Senator CURTIS. Were most of them former union members?

Mr. LITELL. No, they were not, not most of them.

Senator CURTIS. What portion of them?

Mr. LITELL. Well, do you mean when I first started? You see they were hiring right along.

Senator CURTIS. All through the period.

Mr. LITELL. I would say the biggest share of them had never been union members, and they were young people that had never worked in plants.

Senator CURTIS. Now, of the older people who had had a previous job, what percent would you say had been union members?

Mr. LITELL. Well, I would say the biggest share of them had been union members somewhere.

Senator CURTIS. Those who had not you classify as the younger people who were coming to a job for the first time?

Mr. LITELL. Yes, sir.

Senator CURTIS. Now, who called Jake Ambrose and told him to cease his union activities?

Mr. LITELL. As I understand, Jake Ambrose told me that his foreman, Max Hyler, called him in.

Senator CURTIS. You were not present?

Mr. LITELL. No, sir.

Senator CURTIS. But he said his foreman called him in?

Mr. LITELL. Yes, sir; and Mr. Checov had told me, before it happened, that he was going to be called in.

Senator CURTIS. Well, now, how often do you say that you reported to Mr. Hufert about your activities?

Mr. LITELL. It was no regular thing, sir.

Senator CURTIS. How many times did you?

Mr. LITELL. I would say that I talked to Mr. Hufert at least a half dozen times, sir.

Senator CURTIS. And you would go in on your own, or would you go in at his request?

Mr. LITELL. I would go in, sir.

Senator CURTIS. You would go in on your own?

Mr. LITELL. Yes, sir.

Senator CURTIS. Did you volunteer the information to Mr. Hufert?

Mr. LITELL. Well, I was told to do it.

Senator CURTIS. Did you, I say?

Mr. LITELL. Yes, sir.

Senator CURTIS. That was true every time?

Mr. LITELL. Yes, sir.

Senator CURTIS. Have you applied for work at Whirlpool since your discharge and your case before the NLRB and its settlement?

Mr. LITELL. Yes, sir.

Senator CURTIS. How did you apply?

Mr. LITELL. I talked to Mr. Hufert on the phone and I also wrote him letters.

Senator CURTIS. What did you tell him in the letter?

Mr. LITELL. They had advertisements in the paper for workers, and they were looking for people with the trade that I was working at when I was discharged, and I wrote him that I was still unemployed and I was still looking forward to the so-called agreement that they were supposed to have, for Mr. Barringer to find me a job, which they had never done.

Senator CURTIS. Who said they would find you a job?

Mr. LITELL. The thing was signed by a Mr. Bachman, sir.

Senator CURTIS. What else did you say in the letter?

Mr. LITELL. That is about all, sir.

Senator CURTIS. I am talking about the letter that you wrote. What else did you say in your letter?

Mr. LITELL. To Mr. Hufert, you mean?

Senator CURTIS. Yes.

Mr. LITELL. That is all I can recall, sir. It was about this particular job.

Senator CURTIS. That you were unemployed, and called their attention to an agreement they were to find you a job someplace else?

Mr. LITELL. And this ad that they had in the Marion Star, sir.

Senator CURTIS. Did you make any reference to any previous trouble?

Mr. LITELL. I don't believe so, sir; no, sir.

Senator CURTIS. Did you write anybody else in the company any letters?

Mr. LITELL. Yes, sir.

Senator CURTIS. Whom did you write to?

Mr. LITELL. Mr. Bachman and—his name escapes me—whoever was president of Whirlpool, sir; Mr. Gray.

Senator CURTIS. Did you write anybody else?

Mr. LITELL. Not that I recall, sir.

Senator CURTIS. About when did you write Mr. Hufert?

Mr. LITELL. I couldn't say. I don't even remember.

Senator CURTIS. Did you ever write Mr. Evans a letter?

Mr. LITELL. Not Mr. Glen Evans. I think that I wrote his brother, who had a different job, a higher job than Mr. Glen Evans did.

Senator CURTIS. I am talking about the man that was here and testified yesterday.

Mr. LITELL. I don't recall it, sir, but I could have. I wrote to so many people.

Senator CURTIS. That was after your case had gone to the NLRB that you were writing these letters?

Mr. LITELL. Yes, sir.

Senator CURTIS. Did you make any expression of your attitude at that time concerning the previous difficulty?

Mr. LITELL. Yes, sir; I am sure I did.

Senator CURTIS. What was it?

Mr. LITELL. Well, to whom, or just all of them?

Senator CURTIS. To anybody?

Mr. LITELL. Well, I think, when I wrote to Mr. Bachman, I talked about the fact that I did no more wrong than they did.

Senator CURTIS. I am interested primarily in any letters to any of the management of Whirlpool.

Mr. LITELL. I don't recall, sir, what the exact words were, what I said exactly.

Senator CURTIS. Did you ever express regret about the incident?

Mr. LITELL. Yes, sir.

Senator CURTIS. Did you place the blame on anybody?

Mr. LITELL. No; I don't think so. If I did, I didn't do it intentionally. I mean I was as much to blame as anybody.

Senator CURTIS. Did you say so in the letters?

Mr. LITELL. I think so, sir.

Senator CURTIS. So, when you were seeking to get a job again, you told them that you were to blame for this previous trouble?

Mr. LITELL. What do you mean by "trouble"?

Senator CURTIS. I mean the trouble that led to your discharge.

Mr. LITELL. Well, I never admitted that I had done anything to be discharged for, sir, and I still don't feel that I did, and so I couldn't very well admit blame for it.

Senator CURTIS. You do not feel that you have made a mistake in any of this?

Mr. LITELL. I made a mistake in getting involved with them in the first place.

Senator CURTIS. Involved with whom?

Mr. LITELL. With Louis Checov, and there is no question about that.

Senator CURTIS. Well, now, who represented you before the NLRB? Did the UAW take your case?

Mr. LITELL. I guess they did, sir.

Senator CURTIS. Well, did they?

Mr. LITELL. Yes, sir; I suppose and I never—

Senator CURTIS. Did you have any discussions with the UAW about your case and the presentation of it?

Mr. LITELL. There was no discussion with me until it was over with, sir.

Senator CURTIS. If the UAW represented you it was without your permission?

Mr. LITELL. Yes, sir.

Senator CURTIS. You never had discussed with the UAW or any official of that organization the circumstances of your being fired?

Mr. LITELL. Oh, yes; we went over the incidents that led up to it.

Senator CURTIS. Who advised you to file a case before the NLRB?

Mr. LITELL. Emerson Barringer.

Senator CURTIS. He is with the UAW; is he not?

Mr. LITELL. Yes, sir.

Senator CURTIS. He advised you to file it?

Mr. LITELL. Yes, sir.

Senator CURTIS. Who prepared the papers?

Mr. LITELL. In Cleveland, John Vinsick and Emerson Barringer, I assume.

Senator CURTIS. Then you knew that the UAW were representing you in the NLRB case; did you not?

Mr. LITELL. Well, I didn't understand that they could follow the thing through and settle it without me.

Senator CURTIS. I do not mean that; but I mean somebody to look after it and file the papers and present your side of the story. You knew the UAW were doing that; did you not?

Mr. LITELL. I guess so, sir.

Senator CURTIS. Well, did they file an NLRB case without your consent?

Mr. LITELL. No, sir; not without my consent; no, sir. I was there when the charges were filed, but I wasn't there when the thing was dropped.

Senator CURTIS. I am not talking about the dropping of it. I am talking about the preparation and presenting of your case to the NLRB. Now, you knew all of the time that UAW was doing that for you; did you not?

Mr. LITELL. Yes, sir.

Senator CURTIS. Did you discuss with anyone from the UAW the settlement that you received?

Mr. LITELL. Yes, sir.

Senator CURTIS. Whom did you discuss it with?

Mr. LITELL. Emerson Barringer and Frank Donnelly, who is another UAW representative, and Bill Bowman, another one.

Senator CURTIS. Was this before you accepted the settlement?

Mr. LITELL. Yes, sir.

Senator CURTIS. Did they recommend that you take the settlement?

Mr. LITELL. No; they did not, sir.

Senator CURTIS. They recommended that you not take it?

Mr. LITELL. They recommended that I was being taken, sir.

Senator CURTIS. In what way?

Mr. LITELL. That it was a stinking settlement.

Senator CURTIS. Who agreed to the settlement for you?

Mr. LITELL. I don't know, sir.

Senator CURTIS. Do you have the NLRB papers here? That is all for now, Mr. Chairman.

The CHAIRMAN. I want to ask you 2 or 3 questions.

Mr. Checov made charges against the company for entertaining the committee and he submitted it on bills rendered for expenses. Beginning on December 1, 1955, and continuing until February 15, 1956, I believe he has submitted some 36 items for expenses of meetings and meeting with the committee and so forth. I believe they total—and do we have that total?

Mr. KENNEDY. I think we have it here.

The CHAIRMAN. For the month of December, just for your information, one is \$17.50, \$25, \$34, \$28, \$38.50, \$45, \$36.50. And then in the month of January there are several some 15 or 20 and they run \$45, \$20, \$45, \$30, \$55, \$30.42, \$60, \$55, and \$65, and \$60 for each one of those meetings and it continues that way up until the 15th of February.

Did you attend those meetings, if you know, for which these expenses were charged against the company?

Mr. LITELL. He couldn't have spent that kind of money with us, sir.

The CHAIRMAN. He spent the money when you attended the meetings, he paid the bill?

Mr. LITELL. Yes, sir.

The CHAIRMAN. But there was never that much spent, I mean those high amounts?

Mr. LITELL. Never, sir.

The CHAIRMAN. So he may have been padding the payroll a little, too?

Mr. LITELL. That is possible. As I said, he had other contacts.

The CHAIRMAN. He had other contacts and may have been turning it in as the expense of meetings. For instance, the \$20 a week he gave you may have been included in some of these items?

Mr. LITELL. That is possible, sir.

The CHAIRMAN. Who else attended these committee meetings with you at which time he paid the bill?

Mr. LITELL. Max Grounds, Eldon Phillips, Henry Boles.

The CHAIRMAN. Were they always present? Were you all present at each meeting?

Mr. LITELL. Usually, sir, one would be absent or the other one, but one of them was always there.

The CHAIRMAN. Do you know whether Mr. Hufert or Mr. Evans knew that you were holding these committee meetings? Do you know that to your personal knowledge? Did you ever talk with them about it, either of them?

Mr. LITELL. I talked to Mr. Hufert, yes.

The CHAIRMAN. You talked with Mr. Hufert. He has testified, so there will be no misunderstanding, that he didn't even know there was a committee.

Mr. LITELL. Sir, he either has an awful short memory or he is not telling the truth.

The CHAIRMAN. It continued here, apparently, according to the bills, for about 2½ months. During that time, I will ask you the direct question: Did you talk to Mr. Hufert about the committee and about the meetings you were holding, and the work you were doing?

Mr. LITELL. I talked to Mr. Hufert several times, sir, about the work we were doing. Yes.

The CHAIRMAN. Could there have been any misunderstanding on his part with respect to the fact that a committee did actually exist, and that it was working for the purpose of preventing the plant from being organized by any union?

Mr. LITELL. I don't see how he could misunderstand it, sir.

The CHAIRMAN. Can you recall anything that was specifically said from which you would say there could be no misunderstanding?

Mr. LITELL. I talked to him in his office about various employees.

The CHAIRMAN. Did he know about these cards?

Mr. LITELL. I can't say for sure that he knew about the cards.

The CHAIRMAN. But he did know that you were reporting to Dr. Checov?

Mr. LITELL. Yes, sir. He talked about Mr. Checov with me.

The CHAIRMAN. He could have talked about Mr. Checov with you, but I am talking about if he could have done that without referring to the particular work that you and Checov were doing, or the work that Checov engaged you to do, or you and your committee.

Mr. LITELL. Well, he talked about how nicely things were shaping up.

The CHAIRMAN. They could be shaping up nicely about something else. Let's get down to the facts. You know what I am talking about. Did he know that this committee was operating for the purpose of checking on employees so as to get information that would enable the company to prevent the plant from being unionized, and so as to get rid of those who may have been favorable to unions?

Mr. LITELL. I think he did, sir. Yes, sir.

The CHAIRMAN. You think he did? Can you be positive?

This is pretty serious. One of you is not telling the truth.

Mr. LITELL. I know that, sir. For instance, our conversation about this Hurruff. How could there be any misunderstanding about what we were talking about there?

The CHAIRMAN. All right. I present to you a photostatic copy of a letter. All I want you to do is state whether you identify it, state who it is from, who it is to, and the date of it.

(Document handed witness.)

Mr. LITELL. It is dated September 26, 1956, and it is from Louis Checov to me.

The CHAIRMAN. Do you recognize that as a photostatic copy of the letter?

Mr. LITELL. Yes, sir.

The CHAIRMAN. That letter will be made exhibit No. 12, for reference only. It will not be read into the record at this time.

(The letter referred to was marked "Exhibit No. 12" for reference, and may be found in the files of the select committee.)

The CHAIRMAN. Is there anything further?

Is there anything further from the members of the committee?

If not, you may stand aside for the present. Thank you very much.

Call your next witness.

Mr. KENNEDY. Mr. Bachman.

The CHAIRMAN. You do solemnly swear that the evidence you shall give before this Senate select committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. BACHMAN. I do.

TESTIMONY OF MERVIN M. BACHMAN

The CHAIRMAN. State your name, please, and your place of residence, and business or occupation.

Mr. BACHMAN. Mervin M. Bachman, Chicago, Ill. I am a practicing attorney at the present time.

The CHAIRMAN. What was your previous occupation?

Mr. BACHMAN. I worked for Mr. Shefferman in Labor Relations Associates for a few years.

The CHAIRMAN. For a few years? When did your employment with Shefferman and Associates terminate?

Mr. BACHMAN. This July.

The CHAIRMAN. July of 1957?

Mr. BACHMAN. Right.

The CHAIRMAN. How many years did you work for them?

Mr. BACHMAN. I came to Chicago in October of 1953.

The CHAIRMAN. You went to work for him in October 1953?

Mr. BACHMAN. That is right, sir.

The CHAIRMAN. Being an attorney yourself, I assume you waive counsel?

Mr. BACHMAN. I have no need for counsel; no, sir.

The CHAIRMAN. Thank you.

Mr. Kennedy, you may proceed.

Mr. KENNEDY. Mr. Bachman, for a period of time you were with the National Labor Relations Board; were you?

Mr. BACHMAN. I was.

Mr. KENNEDY. What period of time were you with them?

Mr. BACHMAN. I joined the staff of the National Labor Relations Board in 1942. I became legal assistant to one of the Board members. I left for a short time after his termination expired. I then rejoined the staff in October of 1945 and became chief legal assistant at the National Labor Relations Board for one of the Board members.

(At this point Senator McClellan withdrew from the hearing room.)

Mr. KENNEDY. You held that position until what time?

Mr. BACHMAN. Until September 1953.

Mr. KENNEDY. You were chief legal adviser to one of the Board members?

Mr. BACHMAN. That is correct.

Mr. KENNEDY. Until 1953?

Mr. BACHMAN. Right.

Mr. KENNEDY. What Board member was that?

Mr. BACHMAN. John M. Houston.

Mr. KENNEDY. How many assistants did you have under you?

Mr. BACHMAN. It varied. Well, we started when the Taft-Hartley Act was enacted with 10 or 11, I believe, and then the number increased to between 18 and 20.

Mr. KENNEDY. Who were working directly under you?

Mr. BACHMAN. That is correct.

Mr. KENNEDY. You left after the Board member retired; is that right?

Mr. BACHMAN. After the change of administration, his term ran out and he was not reappointed, and I was asked to leave.

Mr. KENNEDY. So you went to find other employment?

Mr. BACHMAN. I did.

Mr. KENNEDY. While you were looking for other employment, did you contact the International Brotherhood of Teamsters, or try to contact them?

Mr. BACHMAN. Yes. They had been erecting a new building and I thought that they were going to have a large staff, and I thought I might find a place on their legal staff. However, I was not able to talk to Mr. Beck. I never got to talk to him.

Mr. KENNEDY. You never got through to him. During that period of time, did you meet Mr. Shefferman?

Mr. BACHMAN. I did.

Mr. KENNEDY. Under what circumstances did you meet him?

Mr. BACHMAN. I recall that I was looking for a job, and had asked my friends, among whom was Lou Becker.

Mr. KENNEDY. How did you know Lou Becker?

Mr. BACHMAN. Well, I have known him for years. He was a practicing attorney in Washington at the time.

Mr. KENNEDY. Had he been with the National Labor Relations Board?

Mr. BACHMAN. He had.

Mr. KENNEDY. What was his position with the National Labor Relations Board?

Mr. BACHMAN. Executive secretary.

Mr. KENNEDY. And what position did he hold in 1954?

Mr. BACHMAN. He was practicing law in Washington.

Mr. KENNEDY. Was he associated with Mr. Shefferman?

Mr. BACHMAN. I don't know, actually. I knew him, that is all.

Mr. KENNEDY. Did you know that he handled some of the work for Mr. Shefferman?

Mr. BACHMAN. I think he wrote a brief or handled a brief for Sears, Roebuck in one case.

Mr. KENNEDY. Was that in the Boston case?

Mr. BACHMAN. I believe so; that is right.

Mr. KENNEDY. And the problem that Sears, Roebuck had up in Boston, he handled that matter?

Mr. BACHMAN. I don't think he handled the matter solely. I think he merely wrote a brief after the case had been heard.

Mr. KENNEDY. And that was in 1953? 1954? You don't know?

Mr. BACHMAN. I really don't know the dates.

Mr. KENNEDY. So you met Mr. Becker and Mr. Becker was with Mr. Shefferman at the time?

Mr. BACHMAN. That is right.

Mr. KENNEDY. And did you explain to Mr. Becker in Mr. Shefferman's presence about the difficulty of contacting the teamsters?

Mr. BACHMAN. Mr. Becker had been trying to get me a job and had been looking around town to see if I could get placed somewhere. I mentioned that to Mr. Shefferman and he said he could call Mr. Beck after I mentioned that I had been unsuccessful in seeing him.

Mr. KENNEDY. That he would call Mr. Beck?

Mr. BACHMAN. Yes.

Mr. KENNEDY. Did he call Mr. Beck?

Mr. BACHMAN. He did.

Mr. KENNEDY. In your presence?

Mr. BACHMAN. Yes.

Mr. KENNEDY. Was he able to get through to him?

Mr. BACHMAN. No.

Mr. KENNEDY. Did he ever tell you that he had talked to Mr. Beck about it?

Mr. BACHMAN. He called him in my presence and I heard him ask Mr. Beck to interview me, but Mr. Beck would not do so.

Mr. KENNEDY. Subsequently did you hear from Mr. Shefferman again?

Mr. BACHMAN. Yes.

Mr. KENNEDY. How long after?

Mr. BACHMAN. I can't recall exactly, but it was within a reasonably short time. He called me from Philadelphia and he asked me to come up to visit with him at the Sears, Roebuck store up there. He wanted to talk with me about possible employment. I had no job at the time, and that was the first offer that I had gotten. I went up and talked with him and a Mr. Caldwell.

Mr. KENNEDY. Who was Mr. Caldwell?

Mr. BACHMAN. He was introduced to me as an executive of the Sears, Roebuck Co.

(At this point Senator McClellan returned to the hearing room.)

Mr. KENNEDY. What did he say to you at that time? What did Mr. Shefferman want to talk to you about?

Mr. BACHMAN. Mr. Shefferman was trying to prepare a brochure or an article about the Taft-Hartley Act. The subject of it was that he thought that management people were not getting a fair administration under the Taft-Hartley Act.

Mr. KENNEDY. He wanted you to write an article that the Taft-Hartley Act was unfair to management?

Mr. BACHMAN. That is right.

(At this point Senator Ives withdrew from the hearing room.)

Mr. KENNEDY. So you discussed that. Did you return to Washington to make a determination as to whether you would work for him?

Mr. BACHMAN. I left Philadelphia and I went back and talked to my wife. She was opposed to my going to Chicago, but I had no other job, so we went.

Mr. KENNEDY. And you started to work then for Mr. Shefferman?

Mr. BACHMAN. I did.

Mr. KENNEDY. When you arrived at the headquarters in Chicago, what work did you do then?

Mr. BACHMAN. I didn't do anything but stay around in the office for about a week or 10 days, because Mr. Shefferman was out of town.

Mr. KENNEDY. What was your general impression of the office when you first came in?

Mr. BACHMAN. Well, it was strange to me. I understood that they had a staff of people, but nobody was there. I later learned that they had been out traveling, that they traveled a good deal. My impression at the time was that no one talked very much about anything in the office; that their own affairs were their own and they kept them that way.

Mr. KENNEDY. So, finally, after 10 days did Mr. Shefferman talk to you?

Mr. BACHMAN. Yes; I had been utilizing the time, as I recall, in reading back decisions in which I had participated when I was on the Board, some of the dissenting opinions I wrote, and generally refreshing my recollection as to what the cases were that I had participated in.

Mr. KENNEDY. What was Mr. Shefferman doing during this period of time? Was he in the office?

Mr. BACHMAN. I think he was out of town. I am not sure.

Mr. KENNEDY. So, ultimately, he came back to the office and he took you on a trip, did he?

Mr. BACHMAN. He did. He told me that the only way that he could work was to get away from the office and get on a train or a car and then write a speech or whatever he had to do. We had gone on a trip to Beaumont, Tex., I believe, and during the time that we were on the train—I had already submitted a draft of the article that I thought was appropriate but he disagreed with me. He said it wasn't in his language and no one could understand it. So he discarded it.

Mr. KENNEDY. And rewrote it in his own language? What was the article supposed to be on?

Mr. BACHMAN. Showing instances where management had not received a decision from the Labor Board, a favorable decision, or a correct decision.

Mr. KENNEDY. This was a new article that he wanted?

Mr. BACHMAN. Yes.

Mr. KENNEDY. To show that management wasn't receiving the proper treatment before the Board itself?

Mr. BACHMAN. That is right.

Mr. KENNEDY. Then you returned to Chicago; did you?

Mr. BACHMAN. I did.

Mr. KENNEDY. In general terms, you worked there for approximately 3 years; did you?

Mr. BACHMAN. From October 1953 until July of this year.

Mr. KENNEDY. In general terms, could you tell the committee what the purpose of Mr. Shefferman's outfit, organization, was, and how, from conversations that you had with those that went out into the field, this operation worked?

Mr. BACHMAN. The operation was one which aided employers in opposing unionism.

Mr. KENNEDY. Was that its purpose?

Mr. BACHMAN. As I understood it.

Mr. KENNEDY. And what methods did you understand were used? Tell us first the basis of your information, and then what methods you learned were used.

Mr. BACHMAN. I infrequently talked with Mr. Shefferman because he was always on the telephone or out of town. I did talk with him on 1 or 2 occasions and with his son, Shelton Shefferman, in connection with a type of committee that they had told me that they had used. They designated it as a rotating committee. I asked what it was and how it operated. They explained it to me and they asked me what I thought about it. I told them that I thought it was an unfair labor practice.

Mr. KENNEDY. What was the rotating committee? Can you tell us that?

Mr. BACHMAN. As I recall it, the rotating committee was composed of rank and file employees, one of whom would leave the committee at a particular time, to be replaced by another, and that management had a representative seated or regularly meeting with the committee. The purpose of the committee was to determine what complaints, what disaffections, what sentiments, prounion or antiunion, there were.

Mr. KENNEDY. Was the rotating committee for the purpose of dealing with any union organizational drive that might come or might be in existence?

Mr. BACHMAN. As I understood it, they existed independently of the presence of a union in a particular plant. It may have also existed while there was a union in the plant.

Mr. KENNEDY. Was it sort of a preventive method?

Mr. BACHMAN. I took it as such.

Mr. KENNEDY. Was there a second step then?

Mr. BACHMAN. There was another committee that I talked to Mr. Shefferman, or Shelton Shefferman committee, namely, vote "no" committee.

Mr. KENNEDY. What was a vote "no" committee?

Mr. BUCHANAN. They explained to me that a vote "no" committee was used to crystallize the sentiment of the antiunion employees in the plant, and to use it as an instrument for propaganda and solicitation for procompany votes.

Mr. KENNEDY. Would that be while the union was making an organizational drive?

Mr. BACHMAN. Yes.

Mr. KENNEDY. Under the Taft-Hartley Act, was that an unfair labor practice, or operation?

Mr. BACHMAN. In my opinion it was.

Mr. KENNEDY. Did you tell them that at that time?

Mr. BACHMAN. I did.

Mr. KENNEDY. Did you also have members of the staff speak to you about the firing of people who were for the union?

Mr. BACHMAN. On occasions they would, and I told them they should not do anything of that kind because it was an unfair labor practice.

Mr. KENNEDY. During this period of time you were giving legal advice as to the Taft-Hartley Act?

Mr. BACHMAN. I was advising—can I preface that by saying I was advising the clients' attorneys, mostly, on what issues were involved in Labor Board representation cases and in complaint cases.

Mr. KENNEDY. But you understood that their general operation, apart from what you were doing, the general operation was to prevent unionization of the plant and these two methods that you described, the rotating committee and the vote "no" committee were the means that were generally used?

Mr. BACHMAN. That was my impression.

Mr. KENNEDY. And they would set those committees up by Mr. Shefferman sending down a representative of his office into the plant to do so?

Mr. BACHMAN. I understood that to be the fact.

Mr. KENNEDY. Did you know anything about the morale surveys that were in existence?

Mr. BACHMAN. There were other terms mentioned, more surveys, supervisory training. I can't think of others.

Mr. KENNEDY. Was this all for the same purpose?

Mr. BACHMAN. The morale survey I never saw and never heard explained. I just heard the term. Supervisory training was to train supervisors to handle people, as I understood it, in the plant.

Mr. KENNEDY. I want to just ask you about one particular meeting that you had, and that would be with Mr. Faunce. Do you know Mr. Faunce of the General Baking Co.?

Mr. BACHMAN. I met him once.

Mr. KENNEDY. The Continental Baking Co.

Mr. BACHMAN. I met him once.

Mr. KENNEDY. Where did you meet him?

Mr. BACHMAN. I received a telephone call on a Saturday morning from Mr. Shefferman to come to New York on the following Monday. I asked him why he wanted me there. He said he had a meeting scheduled with the Continental Baking Co. and Mr. Faunce, and that he wished me to be there to answer any questions that might arise under the Taft-Hartley Act.

Mr. KENNEDY. So did you go to that meeting?

Mr. BACHMAN. I did.

Mr. KENNEDY. At that time was it discussed that the Shefferman group was active in the Morton Co.?

Mr. BACHMAN. Yes.

Mr. KENNEDY. Where was the meeting?

Mr. BACHMAN. On Fifth Avenue.

Mr. KENNEDY. In Mr. Faunce's office?

Mr. BACHMAN. In Mr. Faunce's office.

Mr. KENNEDY. And it was explained at that time, and discussed, that Mr. Shefferman's operators were in the Morton Co. and active against the packinghouse workers?

Well, you tell me what happened in your own words.

Mr. BACHMAN. To the best of my recollection, this was the substance of the meeting.

Mr. KENNEDY. This was on November 7; is that right?

Mr. BACHMAN. I can't remember the date. Whatever it was.

Mr. KENNEDY. I think your records show it was Monday, November 7, 1955.

Mr. BACHMAN. I recall talking about the effect of the 12-month rule under the Taft-Hartley Act, namely, that no 2 elections could be held by the Board within a 12-month period.

Mr. KENNEDY. What led up to that? Explain that, about the packinghouse workers.

Mr. BACHMAN. Mr. Faunce asked me, or Mr. Shefferman did, whether or not it was possible to organize after an election had been held. I said that nothing in the Taft-Hartley Act prevented organization during that period. The only prohibition was another election.

Mr. KENNEDY. Did you understand that the packinghouse workers were about to have their election?

Mr. BACHMAN. I did.

Mr. KENNEDY. So the question was whether any other union could come in and hold an election?

Mr. BACHMAN. Yes.

Mr. KENNEDY. You have to explain what the problem was, Mr. Bachman.

Mr. BACHMAN. Mr. Faunce indicated and said that if he had to have a union in, he would want to have the bakers union in, which had been in his other plants throughout the country.

Mr. KENNEDY. Did he want to find out how soon you could get the bakers union in?

Mr. BACHMAN. I believe that was part of the discussion.

Mr. KENNEDY. Was that why the discussion of the 12-month period?

Mr. BACHMAN. I think so.

Mr. KENNEDY. That he would have to wait until the 12-month period was up before the bakers union could come in? Is that right?

Mr. BACHMAN. I believe that is correct.

Mr. KENNEDY. The election, Mr. Chairman, for the packinghouse workers, in which the packinghouse workers were defeated, was held on November 22, 1955.

The CHAIRMAN. And this was November 7, about 2 weeks before?

Mr. BACHMAN. If the records show that, Mr. Chairman, that is so.

The CHAIRMAN. That election, I assume, had already been ordered?

Mr. BACHMAN. It had been.

The CHAIRMAN. It was pending?

Mr. BACHMAN. That is right.

The CHAIRMAN. And, therefore, the discussion arose if it was defeated, if the union effort to organize at that time was defeated, how soon you could have another election, how soon you could get the bakers union in the plant.

Mr. BACHMAN. That is correct.

The CHAIRMAN. Was that the burden of the discussion? Was that the problem?

Mr. BACHMAN. That appeared to me to be the basis of the discussion and the focal point of the discussion.

The CHAIRMAN. I see.

Mr. KENNEDY. You explained to them that they would have to wait a period of a year before the bakers union could be brought in, is that right?

Mr. BACHMAN. Yes. I also explained to them the meaning and the significance of a Labor Board certification. Someone asked me the question, and I don't remember who, whether or not an employer could recognize a union on the basis of the submission of a majority of signed cards.

Mr. KENNEDY. What did you explain about that?

Mr. BACHMAN. I said if the cards were signed authentically by the majority of the employees in the appropriate unit, that the act permitted voluntary recognition in that regard.

Mr. KENNEDY. Were you also asked whether it would be necessary to have an election?

Mr. BACHMAN. I don't recall that.

Mr. KENNEDY. You don't remember whether there was a discussion on that?

Mr. BACHMAN. I know we talked about Board certifications following elections, but I don't recall whether that specific question was asked.

Mr. KENNEDY. But there isn't any question that the bakers union was discussed as the union that might be brought in there?

Mr. BACHMAN. None in my mind at all.

Mr. KENNEDY. I would like to point out, Mr. Chairman, that yesterday Mr. Faunce was asked about this meeting, and he stated that the purpose of the meeting was that these gentlemen came to find out if it was all right with the Continental Baking Co. if they fired some 85 people in one of their departments, and he said that that was the only discussion, and that there hadn't been any discussion about the election or about the Bakery and Confectionery Workers Union being brought into the plant.

Were you there to discuss about 85 employees being fired?

Mr. BACHMAN. I have no recollection of it.

Mr. KENNEDY. While you were there, at least, it was not discussed?

Mr. BACHMAN. Not while I was there.

Mr. KENNEDY. The purpose of your being brought in was on the question of the bakers union and how soon they could be brought in to the plant?

Mr. BACHMAN. As far as the Taft-Hartley Act was concerned, yes, sir.

Mr. KENNEDY. Under your interpretation of the law, is it a violation of the Taft-Hartley Act for management, either through themselves or through a representative, to pass out these authorization cards, to assist the union in that manner?

Mr. BACHMAN. It is.

Mr. KENNEDY. And, if a company participates in that kind of action, they are violating the Taft-Hartley Act?

Mr. BACHMAN. It is an unfair labor practice.

Senator CURTIS. Mr. Chairman?

The CHAIRMAN. Senator Curtis.

Senator CURTIS. Mr. Bachman, you are the witness I have been looking for, someone who qualifies as an expert on the labor law. For my information, what can management do or say to their employees in regard to union organization in unionizing a place and activities of a union? What are they permitted to do and say that does not constitute an unfair labor practice or otherwise a violation of the law?

Mr. BACHMAN. There is a section in the Taft-Hartley Act designated as section 8 (c) which is colloquially called the free-speech section. That section sets up language which permits a company or an employer to argue, to persuade, to by any means, either graphic or orally, as violently and as hard as he wishes, persuade his employees that unionism is not for them.

Senator CURTIS. That is permissible?

Mr. BACHMAN. That is.

Senator CURTIS. And it is specifically set out in the law?

Mr. BACHMAN. Specifically.

Senator CURTIS. What interpretations have been made in reference to that? Would you illustrate a few things that have been held to be proper?

Mr. BACHMAN. There are many cases, and I can't offhand give you the names—

Senator CURTIS. That doesn't matter.

Mr. BACHMAN. There are many cases in which unions have filed objections, after they have lost an election, on the ground that the employer has made a speech or written a letter which contained an implied threat or a promise of benefit if the employees would refrain from joining the union. Those are matters of interpretation as to the language used, either in the speech or in the letter.

Senator CURTIS. Is it an unfair labor practice for management to call in an employee and tell the employee that he thinks it would be a bad idea to form a union?

Mr. BACHMAN. If the employer—there are cases that hold that private interviews between employees in small groups or singly with employers create an atmosphere of coercion, irrespective of what is said. I have always thought that employers had the right to express their opinions as forcibly as they wished, without threats or promises, to their employees, in putting their point of view across that a union was not necessary for them to join.

Senator CURTIS. The witness that just left the stand described one rather large union in some very uncomplimentary terms. If there are no threats, implied or otherwise, retaliation, and no rewards offered, can management say anything they want to?

Mr. BACHMAN. If there are no threats or no promises, either direct or implied, management can present its point of view in any way it sees fit, in my opinion.

Senator CURTIS. There has been a term here used for weeks that somebody is antiunion. I want to know, for my information, if it is an unfair labor practice for someone to have attitudes in his own mind which are antiunion if he does not otherwise abuse his position as employer or fail to live up to his contract.

Mr. BACHMAN. It is not an unfair labor practice to express an "anti" point of view.

Senator CURTIS. Is it an unfair practice for labor to be anti-management?

Mr. BACHMAN. It is not.

Senator CURTIS. If he performs his work, performs his contract, he can still believe that the boss is nuts, can't he?

Mr. BACHMAN. That is correct.

Senator CURTIS. All right. I want to ask you a little bit about this Litell case. That was before the NLRB. You were one of the attorneys in that case, were you not?

Mr. BACHMAN. I represented Whirlpool; yes.

Senator CURTIS. Who represented Mr. Litell?

Mr. BACHMAN. The UAW. Mr. Lowell Goerlich, who was, I think, at the time an assistant general counsel of the UAW, and Mr. Emerson Barringer, who was a business agent of the UAW.

Senator CURTIS. In the course of the conduct of this case, did they specifically take actions and make remarks that indicated they were familiar with the details regarding this case?

Mr. BACHMAN. They had filed a charge, alleging that Mr. Litell had been discriminatorily discharged.

Senator CURTIS. As usual practice, it can be assumed that they prepared the charge?

Mr. BACHMAN. A business agent many times files the charge for the aggrieved party; yes.

Senator CURTIS. Did these attorneys of record agree to the settlement in behalf of Mr. Litell?

Mr. BACHMAN. They did.

Senator CURTIS. And they were the attorneys for the UAW?

Mr. BACHMAN. They were. One was an attorney, and one was the business agent for that particular area.

The CHAIRMAN. I would like to ask you 1 or 2 questions along those lines.

Can management employ a firm or counsel to persuade or encourage its employees not to join a union without committing an unfair labor practice?

Mr. BACHMAN. It can.

The CHAIRMAN. In other words, anything management can do itself it can employ others to do for it?

Mr. BACHMAN. That is correct, sir.

The CHAIRMAN. But they would operate under the same restrictions with respect to intimidation, threats, or promises of reward?

Mr. BACHMAN. That is correct.

The CHAIRMAN. You heard some testimony here this morning—I assume you were in the room—about the use of a card system, and what some man termed “a spy system” on employees to determine their sentiment with respect to unionism, their being favorable to the company and opposed to unionism. Would that constitute an unfair labor practice, in your opinion?

Mr. BACHMAN. It would; yes.

The CHAIRMAN. Why would it, if you just want to know? You talk to somebody and get their sentiments, their views; why would it be an unfair labor practice to make a card on them to refresh your memory?

Mr. BACHMAN. I was going to amplify my statement.

In 1954, a case was decided by the National Labor Relations Board. I believe the name of it is the Blue Flash Co. case. That case held that employers might question employees as to the union if the questioning was not in the context of threats or other intimidating conduct.

The CHAIRMAN. The danger of it is that it is hard to avoid an implication that the company is not going to look favorably upon its employee or give him equitable treatment if he does favor a union.

In other words, he may be discriminated against. I mean, that threat of implication is always present under those circumstances.

Mr. BACHMAN. It may be that it is inherent in the employer-employee relation.

The CHAIRMAN. Senator Ervin?

Senator ERVIN. The primary object of the Taft-Hartley Act and other labor legislation is to enable the employees to deal on an equal basis with management, is it not, as far as humanly possible?

Mr. BACHMAN. It is so stated, Senator, in the preamble.

Senator ERVIN. And the provision of the Taft-Hartley Act which preserves the right of freedom of speech, gives the employer complete freedom of speech short of intimidation or offers of reward, in stating his position against the desirability of his employees joining a union. He has freedom of speech in opposition to unions.

Mr. BACHMAN. Exactly.

Senator ERVIN. But as I understand it, and I wish you would correct me if I am wrong, he does not have the right, however, to advocate the favoring of one union over another on the part of his employees, does he?

Mr. BACHMAN. There is some question about that in my mind, and I think in those of many other people who have dealt with the labor law. The expression of a preference in some instances may be permissible, and in others it may not be.

It depends, Senator, upon the circumstances in which the preference is expressed. That is, again, whether it is in the context of threats or implied threats, or implied force or reprisal or things of that sort.

Senator ERVIN. In other words, you are in a very difficult field there in determining that. You are in what we lawyers call a legal twilight zone. In other words, any kind of activity which will tend to place a union under obligation of management would be an unfair labor practice, wouldn't it?

Mr. BACHMAN. Well, it is a difficult thing to generalize about, Senator. If I follow your meaning, the expression of a preference for one union as against another may be permissible under the free speech provision of the Taft-Hartley Act.

If the preference, however, is accompanied by some atmosphere of threat or reprisal, if the employer's wishes are not carried out, then that, in my opinion, would be an unfair labor practice.

Senator ERVIN. In other words, the object of the law was to make certain that the union, whatever union organized a plant, is in a position where it can deal at arm's length in behalf of the employees with respect to their transactions with the employers.

Mr. BACHMAN. The purpose of the law, as I understand it, is to equalize the relationship between labor on one side and management on the other.

Senator ERVIN. I would like to have you clarify a little your relationships with Mr. Shefferman. You were counsel for Shefferman in the labor relations field?

Mr. BACHMAN. Well, I considered myself a member of the staff with specialized knowledge. Mr. Shefferman had told me that it would be my function to advise company counsel and clients as to the Taft-Hartley matters. That is what my relationship was.

Senator ERVIN. Primarily your obligation was to Shefferman? In other words, you were counsel for Shefferman?

Mr. BACHMAN. I never considered myself as his attorney, if that is what you mean.

Senator ERVIN. When you appeared for Whirlpool, under what circumstances were your obligations to appear for Whirlpool made?

Mr. BACHMAN. I was there to do the best job I could for Whirlpool and for my employer, Mr. Shefferman.

Senator ERVIN. What I was trying to get at was when you were acting for Mr. Shefferman, was Mr. Shefferman furnishing counsel to his clients as well as these other services?

Mr. BACHMAN. He told me to do the best job I could to get a settlement which was equitable for Whirlpool.

The CHAIRMAN. Mr. Kennedy, have you further questioning?

Mr. KENNEDY. On the formation of a committee, which is supposed to be spontaneous, but which is supported and operated by management, that is, in your estimation, an unfair labor practice?

Mr. BACHMAN. The element that makes it an unfair labor practice, in my opinion, is the employer participation in it.

Mr. KENNEDY. And the employer's participation either can be direct or indirect: is that right?

Mr. BACHMAN. There is a provision in the Taft-Hartley Act which says that an employer is defined as an employer or anyone acting for his benefit, either directly or indirectly.

Mr. KENNEDY. So these vote "no" committees established by Mr. Shefferman's people were clearly violations of the Taft-Hartley Act?

Mr. BACHMAN. In my opinion, they constituted an interference under section 8 (a) (1).

Mr. KENNEDY. The second thing is this: We have had some evidence where management participates in handing out authorization cards for the union, either directly or indirectly. Is that, in your estimation, an unfair labor practice?

Mr. BACHMAN. That is what is known in the labor law as assistance or support—let me put it this way: It is another form of interference by management in the freedom of choice that the employees have under section 7.

Mr. KENNEDY. Would that, in your estimation, be a violation of the Taft-Hartley law?

Mr. BACHMAN. It is.

Mr. KENNEDY. Thank you.

The CHAIRMAN. Thank you very much.

Mr. Litell, come forward, please.

TESTIMONY OF CHARLES A. LITELL—Resumed

Senator CURTIS. Mr. Litell, I want you to look at this document and see if you can identify it.

(The document was handed to the witness.)

Senator CURTIS. Is that a photostatic copy of a document you have seen before?

Mr. LITELL. Yes, sir.

Senator CURTIS. What is it?

Mr. LITELL. It is a copy of the agreement that we talked about previously.

Senator CURTIS. Read it. It is very brief.

Mr. LITELL (reading):

GENTLEMEN: Reference is made—

Senator CURTIS. Put the whole thing in there, the date and everything.

Mr. LITELL (reading):

MAY 4, 1956.

WHIRLPOOL-SEEGER CORP.,

Marion Division, Marion, Ohio.

GENTLEMEN: Reference is made to your offer of reinstatement for employment and after due consideration I decline your offer for employment.

Yours truly,

CHARLES A. LITELL.

Senator CURTIS. You signed it, did you?

Mr. LITELL. Yes, sir.

Senator CURTIS. Where were you when you signed it?

Mr. LITELL. At the UAW-CIO union hall in Marion, Ohio.

Senator CURTIS. Who else was present?

Mr. LITELL. Emerson Barringer, Lowell Goerlich, Frank Donnelly, Bill Bowman, Joe Tamosi.

Senator CURTIS. Were they all connected with the UAW?

Mr. LITELL. UAW officials; yes, sir.

Senator CURTIS. Was everyone that was present connected with the UAW?

Mr. LITELL. Was everybody present?

Senator CURTIS. Yes, sir.

Mr. LITELL. Yes, sir.

Senator CURTIS. Who handed it to you to sign?

Mr. LITELL. Emerson Barringer.

Senator CURTIS. That is all, Mr. Chairman.

The CHAIRMAN. Thank you very much. You may stand aside.

Mr. CURRIE?

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. CURRIE. I do.

TESTIMONY OF JOHN PATTERSON CURRIE

The CHAIRMAN. State your name, your place of residence, and your business or occupation.

Mr. CURRIE. John Patterson Currie, residing at 35 Park Avenue, New York City, a management consultant in labor industrial relations and executive development.

The CHAIRMAN. Do you waive the right of counsel?

Mr. CURRIE. I do.

Mr. KENNEDY. Mr. Chairman, Mr. Currie is being brought here out of order, but it is the only time we could schedule him. He has a plane to catch this afternoon and we want to accommodate him. This is with relation to the origin of Labor Relations Associates and Mr. Shefferman's operations.

Can you tell us when you met Mr. Shefferman and what conversations you had with him about the establishment of Labor Relations Associates?

Mr. CURRIE. I believe my first meeting was at a meeting in Chicago, where we both participated as speakers on the program. I had known the organization of Sears, Roebuck, of course, and many of its per-

sonnel for a long time, because I was director of personnel for another fairly sizable retail chain group in Chicago. But I hadn't known him personally until then.

That gave us a good start. We found a good deal in the expression of philosophy at this particular conference in common, and in subsequent discussions that same evening during dinner and on several odd moments later he told me of the growing work in connection with his employment by Sears as a labor relations specialist, particularly concerned with working with suppliers who were either major sources, some of which were wholly owned or, I believe, partially owned, and where they had a substantial interest, and that the load was getting impossible to carry; that he had but one assistant and that in some instances the amount of assistance that had been rendered in order to secure the continuing flow of merchandise to Sears was such a serious problem and was a problem, as a matter of fact, that the suppliers themselves should undertake a part.

He, therefore, had been considering setting up a clinic type of operation in which there would be a staff of people of related specialty occupations, personnel administration, National Labor Relations Board experience, actual labor relations, negotiations, and so forth; that for the time being it would operate relatively on a shoestring until it would get underway; that he would not be personally a part of it or on its payroll, which proved to be the case during the period of my association.

He suggested that the reputation which had been achieved, essentially, by himself in labor circles and in management circles because of the caliber of work in behalf of Sears rather assured, he was confident, acceptance on an increasing scale basis, but that it would by no means be limited to Sears, Roebuck activities or related activities, such as suppliers in which they had an interest beyond the security of the flow of merchandise.

Mr. KENNEDY. The initial reason for setting up this organization, as I understand, which was later to be known as Labor Relations Associates, was as Mr. Shefferman described to you, the problem of the suppliers of Sears, Roebuck and those Sears, Roebuck had some interest in?

Mr. CURRIE. That was his job at Sears.

Mr. KENNEDY. It was getting to be too big a job and he thought to set up a separate organization to deal with those firms in any labor problems that they might have?

Mr. CURRIE. Permit me, please, Mr. Kennedy, to restate that with some amendment. The objective was not to serve Sears' suppliers or the Sears organization, per se. The objective was to meet a rapidly expanding need in business and industry generally because of the increasing business activities and the problems attendant thereto, and it was felt with the reputation and contacts that had been established as Sears' representatives there would be some initial business that would quickly gravitate to Labor Relations Associates.

That would provide the nucleus for some acceptance, based on which there were high hopes, and which I shared equally.

Mr. KENNEDY. I understand the Labor Relations Associates expanded, but was the nucleus going to be the suppliers of Sears, Roebuck plus those in which Sears, Roebuck had an interest?

MR. CURRIE. Probably the immediate business would be forthcoming from that source, things which he wasn't able to handle because of the limitations of time.

MR. KENNEDY. Who was going to be involved in it?

MR. CURRIE. Well, originally, and after considerable discussion on this, it was determined that Gen. William I. Westervelt, former Chief of Ordnance, United States Army, and military attaché in Paris, I believe a classmate at West Point of General Woods, who was then chairman of the board, of course, at Sears, and following General Westervelt's retirement from the Army he went with Sears in some administrative capacity, particularly concerned with liaison with these suppliers with whom they were primarily concerned, sometimes officially acting as a member of the board, and sometimes simply as a friendly and helpful liaison person.

MR. KENNEDY. General Westervelt had this contact with Sears and was then acting as liaison between Sears and the suppliers of Sears?

MR. CURRIE. I think he had just a matter of months previously retired from Sears again, having reached the required age limit, so he had no official connection. But there had been that association before.

MR. KENNEDY. Was he going to have a position?

MR. CURRIE. He was to be president. Then one Nathaniel S. Clark, a 1-time member of the National Labor Relations Board who, for reasons of health, as I understood it, had semiretired, though not completely, accepted the vice presidency. I was to be secretary.

The three of us would constitute the board of directors of the organization. I believe that I was also treasurer, although on further thinking, I am not sure whether General Westervelt was president and treasurer and I was secretary, or whether I was treasurer and secretary, but it is relatively unimportant.

MR. KENNEDY. Who did the legal work to set the firm up?

MR. CURRIE. The firm of Lederer, Livingston, Kahn & Adsit, I think is the official title, a Chicago law firm of some consequence who are, I believe, primary counsel to Sears, Roebuck.

MR. KENNEDY. Was any fee paid to them for setting the company up?

MR. CURRIE. To the best of my recollection, during the time that I continued, which was relatively short after the actual incorporation, there was no bill rendered and no fee paid, nor did I hear a discussion of any, nor any supplementary arrangements.

MR. KENNEDY. Where did you get the money to start your operation?

MR. CURRIE. Well, the initial expense of locating space and all that sort of thing was primarily a matter of personal contribution by myself, and some moneys I assume were contributed by Mr. Shefferman personally.

MR. KENNEDY. After you were established, where did the money come from?

MR. CURRIE. The first client fee, as I recall it, was in the amount of \$10,000 from Sears, Roebuck, to make available the services of Labor Relations Associates to companies in which they had an interest because of being major merchandise sources.

(At this point, Senator McNamara left the hearing room.)

Mr. KENNEDY. Did Mr. Shefferman at that time have some very close contacts in various labor unions?

Mr. CURRIE. Yes.

Mr. KENNEDY. Who were they?

Mr. CURRIE. Well, of course, his very apparent close friendship with Mr. Beck was a matter which was at no time ever concealed and, in fact, was apparently mutually enjoyed. I never met Mr. Beck with him. I have been with Mr. Shefferman when there were numerous telephone conversations and usually he was able to get through, if it was possible to reach him at all.

Mr. Padway, who was at that time general counsel of the AFL and also general counsel of a number of their significant unions, principally, I think, the building trades and some others, was also a personal friend of Mr. Shefferman's, as evidenced by friendly conversations when he was passing through New York, and some exchange of entertainment in their respective homes.

I was present on one of those occasions. I found it a very stimulating afternoon, as a matter of fact.

Mr. KENNEDY. How long did you stay with them?

Mr. CURRIE. My services officially terminated on or about the 1st of January 1941. It could have been a matter of weeks prior to that, but not much.

Mr. KENNEDY. That is all, Mr. Chairman.

Senator ERVIN. I have a question.

Did you not find Mr. Shefferman to be a very alert man mentally?

Mr. CURRIE. Exceedingly so.

Senator ERVIN. That is all.

The CHAIRMAN. Thank you very much.

The committee stands in recess until 2:15.

(Present at time of recess: Senators McClellan, Ervin, and Curtis.)

(Whereupon, at 12:35 p. m. the select committee recessed, to reconvene at 2:15 p. m. the same day.)

AFTERNOON SESSION

(Members of the select committee present at the convening of the session were Senators McClellan, Ives, and Curtis.)

The CHAIRMAN. The committee will be in order.

Mr. KENNEDY. Mr. Chairman, the attorney for the Whirlpool Co. at Marion has asked that we read the last paragraph of this stipulation into the record, which I would like to do.

The CHAIRMAN. Has the whole stipulation been placed in the record?

Mr. KENNEDY. I do not believe it has. Could we have it made an exhibit, and read that last paragraph?

The CHAIRMAN. This is what?

Mr. KENNEDY. A decision and order of the NLRB and its notice to all employees pursuant to the decision and order.

The CHAIRMAN. This decision and order of the National Labor Relations Board may be made exhibit No. 13, together with the appendix to it, which is a notice to all employees pursuant to this decision and order.

(The document referred to was marked "Exhibit No. 13" for reference and may be found in the files of the select committee.)

The CHAIRMAN. Counsel, you may read into the record at this point the paragraph you referred to.

Mr. KENNEDY. This is the appendix A: Notice to All Employees, Pursuant to a Decision and Order.

The last one on page 4 is as follows:

We will make whole Charles Litell and Joseph A. Beard for any loss of pay they may have suffered by reason of their discharge. The said Charles Litell has been offered reinstatement to his former position without prejudice of seniority and other rights and privileges, but he has declined such offer. Said Joseph A. Beard does not desire reinstatement.

The CHAIRMAN. Who is our witness?

Mr. KENNEDY. Mr. Chairman, we have been going into activities of Whirlpool in Marion, Ohio, and this afternoon we will start and hope to finish this afternoon in the activities of Whirlpool in Clyde, Ohio.

The first witness is Warren Pleister.

The CHAIRMAN. You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. PLEISTER. I do.

TESTIMONY OF W. B. PLEISTER, ACCOMPANIED BY HIS COUNSEL, PETER R. NEHEMKIS, JR.

The CHAIRMAN. Will you please state your name, your place of residence, and your business or occupation.

Mr. PLEISTER. My name is Warren B. Pleister, P-l-e-i-s-t-e-r; I live at 210 Mulberry Street, Clyde, Ohio. My position, sir, is director of employee relations, of the Clyde division of the Whirlpool Corp. I am here today with counsel, Mr. Peter Nehemkis, of this city, sir.

Mr. NEHEMKIS. Mr. Chairman, may it please the committee, my client asks leave of the committee to read a statement.

The CHAIRMAN. We just now received the statement, I believe. When was this statement submitted to the committee?

Mr. NEHEMKIS. Upon your having just received it, sir.

The CHAIRMAN. Well, is counsel familiar with the rules of the committee?

Mr. NEHEMKIS. Not with respect to any particular rule governing submission of statements; no, sir.

The CHAIRMAN. Let me see.

Rule 7. Any witness desiring to read a prepared or written statement in executive or public hearing shall file a copy of such statement with the counsel or chairman of the committee 24 hours in advance of the hearing, at which the statement is to be presented. The committee shall determine whether such statement may be read or placed in the record of the hearings.

Mr. NEHEMKIS. I regret to inform you that I must take full responsibility for my ignorance of that rule, and tell you by way of extenuating circumstances that this statement was not ready within 24 hours.

The CHAIRMAN. Let the Chair glance at it.

Mr. KENNEDY. I would like to say that I believe, and I can't be sure of this, that I told you when you visited my office that if you needed a statement or if you wanted to put a statement in that it

should be submitted 24 hours in advance. Mr. Salinger said that there is no question he told you on the telephone that if you wanted a statement in it should be in 24 hours in advance.

Mr. NEHEMKIS. Are you challenging my veracity, Mr. Kennedy?

Mr. KENNEDY. I am stating some facts, and you can accept it any way you want.

Mr. NEHEMKIS. Your conception of fact and my conception of fact are quite different. I had addressed myself to the chairman.

(At this point, Senator Ervin entered the hearing room.)

The CHAIRMAN. Now, gentlemen, the Chair has been inclined to be very lenient with respect to this rule, but here is the reason for the rule. One comes up and asks permission to read a statement. We know not what is in it. He can have anything in there, something irrelevant, something to take up the time of this committee and something wholly improper, and there is justification for the rule. Unless I think someone is simply trying to take some advantage of us, I am inclined to waive the rule, if there is some good excuse for it.

Now, I have not had time to read this statement and neither has any member of the staff. So it simply means we have to slow down here. Even after reading it, it is in the discretion of the attorney to proceed. You are an attorney, and it seems to me as a matter of diligence and duty, I may say, in representing your clients, you should acquaint yourself with the rules of the committee. I want to inquire, do we have plenty of these printed rules available upon request?

Mr. KENNEDY. I would like to have Mr. Salinger say what he told the attorney, if there is a question about it, Mr. Chairman. I have not read the statement and I am sure there is nothing objectionable in it, but it does seem to me he was down in the office and he could have gotten a copy of the rules of the committee.

The CHAIRMAN. Have you inquired for a copy of the rules of the committee and have been denied them?

Mr. NEHEMKIS. I have not inquired for any such rules, no; and I regret to say I am not aware of them, Mr. Chairman.

The CHAIRMAN. We have this come up, and most people comply with this rule. Attorneys usually familiarize themselves with the procedures that are to be followed in a hearing insofar as they can do so. We are going to be lenient with you and let you read this statement, but this is not setting any precedent. We intend to enforce this rule and compel its observance insofar as it is necessary at least to do so, to protect this committee from any imposition. I do not say that any such is implied, or I am not implying that any imposition is attempted here, but this rule has full justification, and it is absolutely necessary for this committee to function properly.

All right, sir, we are going to let you read your statement. Proceed.

Mr. PLEISTER. Thank you, Mr. Chairman. I might say that my only reason for wanting to read this statement was one of cooperation with the committee, sir.

The CHAIRMAN. One of what?

Mr. PLEISTER. Cooperation with the committee, sir.

The CHAIRMAN. We are glad to have your cooperation, but you put us in an awkward situation here, and someone else will come

along and want to read a statement and it becomes questionable about the propriety of it. Then one might say, "Well, you let someone else read one, and you are setting a precedent." I am not setting a precedent and I want that definitely understood. Proceed.

Mr. PLEISTER. Thank you, sir. As I have sat here for the past day or so since I have been in Washington and listened to these hearings and read about them, I have the impression that the reason a company desires to keep a union from representing the employees is to depress the wage scale. I also have an impression, perhaps I am mistaken, that there is something wrong in opposing a union—in just the same way the union opposes the management with all the legal resources at its command.

I would like to discuss a case history which, in my opinion, proves that these propositions can be utterly false. At the outset I would like to point out that my company operates in eight different communities. They are referred to as divisions. Each division is autonomous. Each division decides its own labor policies among other things.

First, a brief background.

I would like to tell you about Clyde, Ohio, where the Clyde division of Whirlpool is located. Clyde is a small country town of about 4,000 people. It is located some 80 miles from Cleveland. The town is situated in the heart of a farming district. Many of the Clyde division employees own their own farms, which they work in their off hours.

Before Whirlpool Corp. came to Clyde in 1952, the employees of the former company—the Clyde Porcelain Steel Corp.—held an NLRB election to determine whether or not they would affiliate with a union. The employees rejected the union by a vote of about 7 to 1.

The management of Clyde Porcelain Steel set a pattern for us. They opposed the union with every resource at their command. As a matter of fact, when the election was over, the former president of the Clyde Porcelain Steel Corp. received a citation from the American Public Relations Association for his outstanding and imaginative handling of this campaign. Out of that election in 1950 there emerged a pattern—a pattern for the management, a pattern for the employees, a pattern for the community. This pattern kept the unions out of Clyde.

Senator IVES. I would like to raise a question there. You mean this gentleman received a citation for trying to prevent a plant from being organized?

Mr. PLEISTER. That is correct, sir.

Senator IVES. From the American Public Relations Association; they gave a citation for antilabor activity?

Mr. PLEISTER. I think it was in the relations of handling the material for the campaign, sir.

Senator IVES. That isn't what you say, and what you have here. You have a citation, apparently, for the results. In other words, they voted it down 7 to 1, did they not?

Mr. PLEISTER. That is correct.

Senator IVES. That is why he got the citation, was it not?

Mr. PLEISTER. I believe so, sir.

Senator IVES. I did not realize we had an outfit in the United States that was as antilabor as all of that, running around the country giving

citations to people that are trying to prevent labor organizations from having unions in plants. I would like to get that cleared up and find out the rest of this thing.

Mr. PLEISTER. I do not have the citation of Colonel Stokes with me, but it was widely publicized in the newspapers.

The CHAIRMAN. At any rate, he got a citation from this agency, or this association.

Mr. PLEISTER. That is correct, sir.

Senator IVES. For preventing them from organizing.

The CHAIRMAN. We can all draw on our imaginations.

Do you have anything to say, Senator Curtis?

Senator CURTIS. I think not.

The CHAIRMAN. We will proceed.

Mr. PLEISTER. In 1956, the employees of the Clyde division, in an election conducted by the National Labor Relations Board, voted 3 to 1 against union affiliation. We consented to this election because we were confident that we would win it.

The CHAIRMAN. Is that the only reason?

Mr. PLEISTER. That is the reason, sir.

The CHAIRMAN. All right.

Mr. PLEISTER. I think it is reasonable to assume that, if there had been any improprieties during the campaign prior to this election, those circumstances would have come under the scrutiny of the NLRB. It seems to me that, had there been the slightest impropriety in this election, the unions would have protested. No objections were made to this election by either the NLRB or the International Association of Machinists.

At the Clyde division we manufacture wringer washers, automatic washers, and household ironers. The employees of this division enjoy average straight-time earnings of \$2.39 per hour—a rate which is one of the highest in our area, as well as in the entire appliance industry. The benefit programs provided by our company, as, for example, life insurance, medical care, and pensions, rank with the best programs in the most highly organized industries in this country today.

In addition, the Clyde division offers its employees benefits which are not common in industry. This division furnishes the employees with recreational facilities through the medium of a 32-acre park which features one of the finest swimming pools in northwestern Ohio. We have organized athletic programs for those employees desiring to participate in this kind of activity. We provide educational opportunities to employees in the way of scholarships to colleges and universities. We have night classes at our plant and, in conjunction with the educational system in our communities, we provide opportunities for improvement in such fields as blueprint reading, mathematics, speech courses, and shop practices. There are courses in the art of tool and die work, electronics, and metallurgy. These courses extend for 36 months of expert instruction and job training.

We believe that life also consists of the ability to appreciate. We provide an opportunity for our employees and their families to study painting under professional art instructors. Many of our employees have exhibited their works not only in our plant but throughout the country.

I mention these things to indicate that it is possible in our industrial system to provide an abundance of the good things of this life without necessarily having a union take credit for them.

Senator IVES. May I break in again? I want to point out several situations with which I am acquainted where there are no labor organizations, and I do not know about your setup there. From what you have already indicated, it reads well and it sounds good. One of the industries about which I am speaking is Endicott-Johnson. They take great care of their employees, and efforts have been made to organize Endicott-Johnson, but they have never been successful.

Another one is Eastman Kodak, for almost exactly the same reasons. Those happen to be two with which I am familiar. So, those things do exist. But I know of no concerted effort in either Endicott-Johnson or Eastman Kodak to prevent a union from organizing their plants. They do not try to stop it. I live not too far from there, and I never heard of it. I don't know whether you tried to stop it or not, and you do not indicate in your statement, except in your reference to that other company there, where efforts were made, and the fellow received a medal of some kind for preventing it. But go ahead.

The CHAIRMAN. The Chair would make this observation. I think it is commendable of any company, yours or any other, that will take into account the relation between the employer and the employee, and have a feeling for the employees; also undertake to provide them benefits that they really earn by devoted service, as they contribute to the success and profit of the business. I think any company or management that does that is to be complimented. I am not passing any judgment on this at the moment, but if more did that I think that they would have less problems with unions which they oppose. But go ahead.

(At this point Senator McNamara entered the hearing room.)

Mr. PLEISTER. I agree with you 100 percent. Thank you, sir.

Now, I would like to say something about Labor Relations Associates, and what we think of them.

Let us look at some of the specific things LRA did for us at our Clyde division:

1. Job evaluation.
2. Wage surveys.
3. Wage and salary administration.
4. Supervisory training.
5. Opinion surveys.
6. Incentive pay procedures.
7. Employee working conditions.
8. Employee complaints.
9. Personnel records.
10. Employee application forms.
11. Legal services.

Now, who rendered these services from LRA? Here are the people who worked for us: Messrs. Nevitt, Wroblinski, Scott, Bachman, and Patterson. This work was done from April 1953 to June 1956.

Now, there was still another type of work which LRA did for us: They counseled with us on the strategy and tactics of union organization.

They helped us to present our case to our employees and to the community during the union election campaign of 1956.

Why did we need this particular type of assistance? To put it in plain English most of us in management at Clyde lacked this kind of experience.

A union election campaign is very similar to a political campaign—it is no place for amateurs.

Running a union election campaign is like running a political campaign—it takes organization and lots of money.

The unions spend lots of money.

Management also spends money.

For weeks and months preceding the 1956 union-management election, the unions bombarded our employees daily with handouts, letters, leaflets, cartoons, pamphlets, and newspaper ads.

Because of this steady bombardment, our employees wanted to know just where we stood on the issues raised by the union.

So we answered each and every issue with leaflets, handouts, cartoons, letters, pamphlets, and newspaper ads.

There was one thing we could not match. We could not match the 18 topflight union organizers brought in by the IAM—organizers who established committees to persuade our employees to vote for the union.

These highly skilled organizers with their committees canvassed virtually every employee's home at all times of the day and night.

Neither could we match the money which these organizers spent in Clyde to influence votes.

Now I would like to tell you specifically what Messrs. Patterson and Nevitt—assigned to Clyde by LRA—did for us during the 1956 campaign.

1. They evaluated the changing, day-to-day union tactics; and counseled with us on how to meet these shifting tactics.

2. They reviewed daily the union's bombardment of literature; and advised us how to answer it.

3. They reviewed with us continuously, employee complaints and recommended corrective action in some cases.

4. They held meetings with our supervisors to advise on what they could and could not say under the Taft-Hartley Act.

5. They helped me to prepare newspaper ads, pamphlets, handouts, etc., which we were using to present the facts to our employees so that they could decide how they wanted to vote.

6. After we learned of the existence of an employee vote "no" committee, Mr. Walter Patterson worked with this group in the preparation of their literature.

7. To offset the union card-signing activity (which determines union strength) Mr. Patterson established what we commonly referred to as the Gallup poll, to give us some indication of our own strength. That is why we were able to consent to an election with confidence as to its outcome.

And, finally, Mr. Patterson assisted in checking community reactions as to how successfully our campaign was progressing.

For over 3 years of professional consulting service by LRA we averaged less than \$25,000 of expenditures per year.

We think this money was spent wisely. So do our employees and so does our community.

The CHAIRMAN. All right, sir. Is there anything you wish to add to your statement?

Mr. PLEISTER. I just would like to add that I would like to thank the committee for allowing me to read it, sir.

The CHAIRMAN. We did that, and it is all right, but again this is not a precedent, and I do not want anybody to get that impression.

Senator IVES. Before he leaves the statement, I would like to ask him something about it. At the bottom of page 6, under No. 6, you say "After we learned of the existence of an employee vote "no" committee. Did you organize that committee? You say after you learned of the existence of the committee. Who organized that vote "no" committee?

Mr. PLEISTER. I would not know who organized it.

Senator IVES. You did not know anything about it at all, and it just showed up on the horizon?

Mr. PLEISTER. Well, sir, I might say this, that during the course of the campaign, we had many employees, or I had many employees that came to my office, and actually asked me for counsel as to what they could do to answer the many leaflets that were being handed out at the gate. And in each instance, I counseled with these employees that as a representative of Whirlpool Corp., I could not give them any counsel, other than the fact that they had the perfect right to organize a committee if they so desired.

Senator IVES. Tell me about these employees. You are a resident of Clyde, yourself?

Mr. PLEISTER. I am, sir.

Senator IVES. Have you been there a good many years?

Mr. PLEISTER. I have lived in Clyde approximately 8 years, sir.

Senator IVES. Eight years?

Mr. PLEISTER. That is correct, sir.

Senator IVES. These employees of yours, were they all residents of Clyde, did they all originally reside in Clyde, or did they come from outside?

Mr. PLEISTER. Sir, I would say that we draw from an area around Clyde, which is a small community.

Senator IVES. It is in that vicinity?

Mr. PLEISTER. That vicinity, yes, sir.

Senator IVES. Probably a 15- or 20-mile radius?

Mr. PLEISTER. That is correct, sir.

Senator IVES. You knew all of these boys personally?

Mr. PLEISTER. I knew a lot of them.

Senator IVES. Every one personally?

Mr. PLEISTER. A speaking acquaintance; yes, sir.

Senator IVES. You have a small community there where you naturally would know these people. You are a little different from a large concern where management doesn't know the employees, or just a small number of them. But you do.

Mr. PLEISTER. Yes, sir. I would like to point out to you, sir, that we do have some 2,500 employees in our plant, and it is rather difficult for me to know everybody.

Senator IVES. Well, it would be in a 25-mile radius, besides. I understand that.

Mr. PLEISTER. That is correct.

Senator IVES. But you were on speaking terms with a lot of them?

Mr. PLEISTER. I know a lot of the employees in the plant.

Senator IVES. And you say you had nothing to do with the vote "No" committee?

Mr. PLEISTER. No, sir.

Senator IVES. You didn't advise them one way or the other, or they didn't ask you for your advice?

Mr. PLEISTER. As a matter of fact, sir, the vote "No" committee, or whatever you term it—

Senator IVES. You termed it.

Mr. PLEISTER. Yes. Had been at Clyde in the other election in 1950, and on many different occasions, the employees themselves had formed groups to express their opinions. The fact of the matter is, sir, on one occasion I found it necessary to stop this action. This was when the UE was organizing our plant. I found that the employees had brought in several bushels of tomatoes, and when these people were showing up at the gates to give their speeches, the tomatoes were being used all over the place. I had to personally go out and stop that, sir.

Senator IVES. Why did you think you had to employ LRA to stop this organizing? Apparently that is why you employed them; wasn't it? To stop it?

Mr. PLEISTER. Sir, the Clyde Porcelain Steel Corp. was merged with the Whirlpool Corp. in 1952. I don't recall exactly, but at this particular time I think the employment was some four to five hundred people. We were suddenly faced with the problem of increasing our employment considerably, reorganizing our plant, of upgrading many, many employees, of bringing in new supervision from other divisions of the Whirlpool Corp., from the Bendix plant, which we also purchased shortly after this, and other areas.

Sir, blending this group into a hard-hitting production team was a real problem, going from 400 employees to 2,500 employees required a great deal of effort on our part.

Senator IVES. Just a minute there. I can understand that. That is a managerial problem.

Mr. PLEISTER. That is correct.

Senator IVES. I don't understand where a labor relations setup enters that, particularly.

Mr. PLEISTER. Sir, at this particular time we brought in several outside consulting organizations.

Senator IVES. Then LRA was only one that you had there?

Mr. PLEISTER. That is correct.

Senator IVES. And this is what LRA was doing?

Mr. PLEISTER. That is correct.

Senator IVES. And what they were doing to some extent was managerial?

Mr. PLEISTER. That is correct.

Senator IVES. Who were these other outfits you had working with you?

Mr. PLEISTER. We had Ernst & Ernst.

Senator IVES. They are accountants?

Mr. PLEISTER. That is correct. But they also offer services in the area of establishing costs, accounting procedures, payroll procedures.

and we went through the whole gamut of reestablishing these particular accounts in our accounting department.

Senator IVES. Who else did you have besides Ernst & Ernst?

Mr. PLEISTER. We also hired an engineering outfit.

Senator IVES. Who were they?

Mr. PLEISTER. Childers, I believe it was. It was a local organization.

Senator IVES. A local outfit?

Mr. PLEISTER. Yes. They were brought in to help us rearrange the actual, physical facilities of the plant. Using outside consultants is not an unusual procedure for our organization at all. We have used others.

Senator IVES. I can understand that when it comes to the actual operation of your plant in a combination of mergers such as you had there, but I cannot understand why you would get a labor relations outfit in there.

Mr. PLEISTER. Sir, in my own particular instance, we at this particular time had many problems in my own particular department. I had the responsibility of training some 100 new foremen that were being made. At this particular time I didn't even have a training director. I got one in later on. We had to set up a new job-evaluation program. We were bringing in new products which called for the establishment of new rates. At this particular time, when I took over this department their records were very incomplete. For instance, one very minor thing that I can recall is that we didn't even have proper application forms, and we had to redesign those and have those made up.

Senator IVES. I know, but that hasn't anything to do with labor relations, to speak of.

Mr. PLEISTER. Sir, these were areas where they helped me.

Senator IVES. Well, they seemed to have helped a lot of people in quite a lot of different ways, so far as I can find out.

Mr. PLEISTER. I would like to point out, if I may, sir, that this organization has been used by the Whirlpool Corp. for a number of years on various problems. It is my belief and my understanding that this organization enjoyed a very, very high reputation in the labor field. They represented some 300 very outstanding companies in this country, sir. And they offered a wide field of services.

Senator IVES. Nobody can dispute your statement there. I think they have been working with certain companies that have a good reputation as far as I know. But on the other hand, I want to get this very clear before I drop this whole thing.

You, yourself, were opposed to your plant being organized, weren't you?

Mr. PLEISTER. I would like to say this, I would like to answer it this way, if I may: As an individual, I am not antiunion. I did feel this, and I felt it very strongly, sir, that the unions had nothing to offer the employees at the Clyde division.

Senator IVES. That may be. I mean, you may have taken that position. The recitation that you had to offer here, and I assume you still have it, is very attractive. Nobody is arguing about that. But you were opposed to having your plant organized.

Mr. PLEISTER. I opposed it, yes, sir.

Senator IVES. You could see no point in its being organized?

Mr. PLEISTER. That is correct, sir.

Senator IVES. And you got this LRA in there and presumably they helped you in opposing it.

Mr. PLEISTER. Sir, I would like to point out that we used these services from 1953 until 1956, and we only had an election in 1956, sir.

Senator IVES. What were you using their services for in 1953 to 1956?

Mr. PLEISTER. Sir, that was what my testimony was, that we were using them for various things.

On page 4, sir—

Senator IVES. Job evaluation, wage surveys, and all of that?

Mr. PLEISTER. That is correct, sir.

Senator IVES. And nobody was attempting to organize you during that period?

Mr. PLEISTER. We had spasmodic organizational drives. The fact of the matter is I guess in our village we have seen most of the unions there at one time or another.

Senator IVES. In other words, attempts were being made to organize your plant during all this period of time, is that right, from 1953 on, or before?

Mr. PLEISTER. I don't believe all during that period, sir.

Senator IVES. Well, not, perhaps every second of it, but I mean off and on during that period of time.

Mr. PLEISTER. Off and on, that is correct, sir.

Senator IVES. And you employed these people, this LRA, for these purposes that you have enumerated here?

Mr. PLEISTER. Yes.

Senator IVES. But actually weren't they helping you in your opposition to being organized?

Mr. PLEISTER. Well, I would say this, Senator—

Senator IVES. I am not criticizing you for opposing being organized. You have a perfect right to do that. That is your privilege. But I am trying to find out about the role these birds were playing.

Mr. PLEISTER. Sir, they helped us on these matters that I listed and also—

Senator IVES. I know they helped you on those, but did they not do some of these other things that I enumerated?

Mr. PLEISTER. I also said in this statement that I did use them in this union election. I stated that.

Senator IVES. I know you stated that.

Mr. PLEISTER. That is correct.

Senator IVES. But what I am driving at is that they also helped you oppose other outfits from organizing you, too, didn't they, during that period of time? You say that periodically efforts were being made to organize you.

Mr. PLEISTER. That is right.

Senator IVES. Wasn't LRA trying to help you in opposition to them?

Mr. PLEISTER. That is right.

Senator IVES. That is what I am trying to establish. In other words, preliminarily they were with you for the purpose of preventing you from being organized; were they not?

Mr. PLEISTER. I take exception to the word "preliminarily." But we used them; yes.

Senator IVES. Thank you.

The CHAIRMAN. Senator Curtis?

Senator CURTIS. These 18 union organizers: is that the number that were active in this 1956 campaign?

Mr. PLEISTER. That is correct, sir.

Senator CURTIS. Did they live in Clyde?

Mr. PLEISTER. No, sir.

Senator CURTIS. Did they live in the vicinity of Clyde, in the area from which you recruited your employees?

Mr. PLEISTER. I knew none of these men, but to my knowledge, none of them lived in the area where we draw our employees from.

Senator CURTIS. There is one statement that I would like to express myself on for the record. I do not believe that I can subscribe to the doctrine that efforts to oppose the unionization of a plant is antilabor, per se. There may be many, many instances where to oppose the unionizing of a shop is an antilabor move. But likewise, there may be situations where it is to the credit, and it is a prolabor attitude to oppose unionization. We had information here in past hearings at great length about situations where shops were unionized to the disadvantage of the workers. So I just wish to disassociate myself with the statement made by the senior Senator from New York when he used the term "antilabor." It might have been antiunion.

Senator IVES. Mr. Chairman, as long as I am being dragged into this, I would like to have the Senator yield a minute and get this thing straightened out. I am not criticizing the opposition to organizing plants by racketeers, gangsters, or anybody of that type who has come before us at all. I am talking about opposition to legitimate labor organizations who are trying legitimately to organize plants and companies. That is what I was talking about and referring to.

Senator CURTIS. I understand that. I do not wish to take the time of the committee, but the point is that even if everybody is honest and legitimate, there can still be a difference of opinion as to what situations will best serve the workers.

When the workers vote 7 to 1 and 3 to 1, I certainly do not believe that the workers themselves can be charged with being antilabor.

The CHAIRMAN. Let's proceed.

Mr. KENNEDY. As we develop this, Mr. Chairman, from this witness I do not expect to develop whether he or the company is pro-union or antiunion. Whichever way they are is legitimate. The question is about so-called spontaneous committees set up by the company, financed by the company, whose literature is supplied by the company, and it looks like all of this material comes from the company, that is what we are inquiring into. It is not that the company's sentiments are against the union. But that constitutes an unfair labor practice when the company takes those actions against the union. That is what we are inquiring into.

The CHAIRMAN. The question arises here, what we want to develop is exactly what this company did in connection with its opposition to attempts to organize its plant. Let's get all of the facts about it, and each one can draw their own conclusions as to whether any acts or any part of them, were unfair practices. Proceed.

Mr. KENNEDY. Was there literature put out by this so-called vote "no" committee? I am not asking you about any literature put out by yourself. Was there literature put out by the vote "no" committee?

Mr. PLEISTER. I am sure there was.

Mr. KENNEDY. Did the company finance any of that literature?

Mr. PLEISTER. Mr. Kennedy, I was never given any bills directly for this.

Mr. KENNEDY. Just answer the question. I am not asking whether you were given the bills directly for it. We have been through with Whirlpool in Marion. You people must know what was going on. Can you answer the question: Did you finance the literature that was put out by this committee?

Mr. PLEISTER. I am sure that in one way or another it was financed by our organization, sir.

Mr. KENNEDY. It was financed through the representative from LRA, was it not? Mr. Patterson?

Mr. PLEISTER. I cannot answer that specifically, but I believe that it was, sir.

Mr. KENNEDY. Don't you know that it was, and that is what he was doing down there?

Mr. PLEISTER. Yes, I know what Mr. Patterson was doing down there.

Mr. KENNEDY. Don't you know that is what he was doing, that he was working and getting literature out?

For instance, this literature.

Mr. PLEISTER. Yes.

Mr. KENNEDY. Have you seen this before?

Mr. PLEISTER. I have seen some of it, I am sure.

Mr. KENNEDY. Will you identify this?

The CHAIRMAN. The Chair presents to you 4 cartoons, 3 of them on white sheets and 1 on a yellow sheet. Please examine these and see if you recognize them and identify them.

(Documents handed to witness, who conferred with his counsel.)

Mr. PLEISTER. I have seen these before; yes, sir.

The CHAIRMAN. You have seen them before?

Mr. PLEISTER. I have, sir.

The CHAIRMAN. Do you know the origin of them?

Mr. PLEISTER. I am sorry, sir.

The CHAIRMAN. Do you know the origin of them? Where did they originate?

Mr. PLEISTER. I think each one of these is identified with a statement on the bottom "Whirlpool Employees Vote 'No' Committee," sir.

The CHAIRMAN. They may be made exhibits Nos. 14-A, B, C, and D.

(The cartoons referred to were marked "Exhibits 14-A, 14-B, 14-C, and 14-D" for reference, and will be found in the appendix on pp. 6224-6227.)

The CHAIRMAN. I think the pertinent question is this:

Was the supplying and distributing of that material paid for by the Whirlpool Co., either directly or indirectly.

Mr. PLEISTER. I think that it was; yes, sir.

The CHAIRMAN. Proceed.

Mr. KENNEDY. Also, in addition—

Mr. PLEISTER. Mr. Chairman, my counsel has asked to confer with me. May I have permission to talk to him?

The CHAIRMAN. You may confer with your counsel.

(The witness conferred with his counsel.)

Mr. PLEISTER. Mr. Chairman, my counsel has called to my attention a case which I am quite familiar with, commonly referred to as the Cleveland Trust case, in which Judge Allen of the Sixth Circuit Court made a ruling on a matter of this particular kind. This was the case that we based our judgment on for the payment of these literatures. Could I read this?

The CHAIRMAN. The Chair is not saying, and I do not presume the committee is saying, except as they have individual opinions—the Chair is not saying at this time that what you have done violated the Taft-Hartley law, or was an unfair labor practice. What the committee wants to do is simply get the facts of this case so that it may weigh them, and ascertain whether it does constitute an unfair labor practice under existing law. And, if it does not, whether it should, and whether a law should be enacted to prohibit it. That is what we are weighing, the question of what legislation should be had to get this thing straightened out, so that management and labor organizations will be on a comparative level or equal basis and prevent improper practices on either side. Let's get the facts. That is all we want to do.

Mr. PLEISTER. At the same time, sir, I sure would like to give any testimony that I could to make you believe that I did this thing based upon some laws and we were not trying to violate any of the laws as we understand them.

The CHAIRMAN. We can proceed with that assumption, that you thought you were within the law. I am not saying you were not.

All right, Mr. Counsel.

Mr. KENNEDY. Were you paying for some of this literature directly?

Mr. PLEISTER. That literature that was prepared by me and by my staff was paid for directly.

Mr. KENNEDY. Who did you pay for it? Where did you get it printed up?

Mr. PLEISTER. Well, sir, we ran full-page newspaper ads—

Mr. KENNEDY. No; I mean the literature for the vote "no" committee.

Mr. PLEISTER. The literature for the vote "no" committee, I believe, was printed by the Green Springs Echo newspaper.

Mr. KENNEDY. Is that where Mr. Patterson was also getting his literature printed up?

Mr. PLEISTER. I really couldn't answer that, Mr. Kennedy, where Mr. Patterson was getting his.

Mr. KENNEDY. Did you understand that Mr. Patterson was setting up this committee when he was down there?

Mr. PLEISTER. Did I understand Mr. Patterson was setting up the committee?

Mr. KENNEDY. Yes.

Mr. PLEISTER. No, sir.

Mr. KENNEDY. You did not?

Mr. PLEISTER. I did not.

Mr. KENNEDY. You didn't know anything about that?

Mr. PLEISTER. Mr. Kennedy, again I would like to say that we had had this type of thing on several different occasions in the past his-

tory of the company, whereby the employees themselves expressed their beliefs by such committees as these.

Mr. KENNEDY. Mr. Patterson had been there in prior years also; had he not?

Mr. PLEISTER. He had not been there in 1948 and 1950.

Mr. KENNEDY. Was there a committee called the vote "no" committee at that time?

Mr. PLEISTER.. There was, sir.

Mr. KENNEDY. With the same name?

Mr. PLEISTER. There was, sir.

Mr. KENNEDY. In 1948 and 1950?

Mr. PLEISTER. In the 1950 elections.

Mr. KENNEDY. And LRA had nothing to do with it?

Mr. PLEISTER. Yes, sir. The NLRA——

Mr. KENNEDY. No; the LRA.

Mr. PLEISTER. They were not there at that time.

Mr. KENNEDY. Did you people have anything to do with the establishment or support of that committee?

Mr. PLEISTER. No, sir. It was the same type of thing that we had here.

Mr. KENNEDY. Why would you decide that you would support this committee, as you were doing?

Mr. PLEISTER. Mr. Kennedy, maybe this sounds a little corny, but in my job at the Clyde division the employees come to me for many, many problems. We don't have many lawyers in town. We are a small community. We are rather close. I am brought all kinds of problems, divorce cases, financial cases——

Mr. KENNEDY. Let me tell you what puzzles me. You say the employees came to you about the union and asked you to counsel them. You told them that you could not counsel with them?

Mr. PLEISTER. That is correct.

Mr. KENNEDY. That you could not advise them. But at the same time, you were making up and financing their operation.

Mr. PLEISTER. After the committee was composed.

Mr. KENNEDY. Do you mean after the committee was composed, you felt you could advise them, could finance their operations?

Mr. PLEISTER. If I could, I would like to read this.

Mr. KENNEDY. I would like to see it.

Mr. PLEISTER. May I read it?

Mr. NEHEMKIS. Why don't you permit the witness——

Mr. KENNEDY. I would like to examine the document.

Mr. NEHEMKIS. Will you take this to Mr. Kennedy and ask him to read that paragraph that is marked, please.

Mr. KENNEDY. Has this anything to do with an employees' committee? This says "initiated by the employees themselves." If this committee is initiated, and that is the point of this, if this committee is initiated by you or by your agent, it certainly doesn't fall within this case. I can understand if the committee is set up by the employees themselves. But that is not true in this case.

Mr. PLEISTER. Mr. Kennedy, I take exception to that. This is true in this case.

Mr. KENNEDY. Do you know what Mr. Patterson had to do with the setting up of this committee?

Mr. PLEISTER. Do I know what he had to do?

Mr. KENNEDY. Yes.

Mr. PLEISTER. No, sir.

Mr. KENNEDY. He never discussed that with you?

Mr. PLEISTER. We discussed it, yes.

Mr. KENNEDY. Did he tell you that he had gotten the employees to set up this committee?

Mr. PLEISTER. No, sir; he did not.

Mr. KENNEDY. Did he deny it?

Mr. PLEISTER. Nor did he deny it.

Mr. KENNEDY. Did he say he brought these employees to Mr. Audritsch?

Mr. PLEISTER. He told me Mr. Audritsch had a group of employees who wanted to form a vote "no" committee.

Mr. KENNEDY. And he did not say that he made a suggestion to Mr. Audritsch as to who should be on that committee?

Mr. PLEISTER. He did not.

Mr. KENNEDY. We will have further testimony on that.

Mr. PLEISTER. Very well.

Mr. KENNEDY. I would like to go through the Labor Relations Associates bills. When did this drive start down there—in 1955?

Mr. PLEISTER. I really couldn't answer that specifically, sir. It was some time in 1955. I don't know exactly.

Mr. KENNEDY. Wasn't it about April or May 1955?

Mr. PLEISTER. I really can't recall the exact dates, sir.

Mr. KENNEDY. I see, for instance, the bills in April of 1955 Labor Relations Associates are \$1,500. That is for April. Then for June it is \$2,500, when the campaign was going. July was \$3,500. August was \$4,200. September was \$3,800. October was \$3,900. November it was \$3,100. December was \$3,600. January was \$3,700. February was \$4,800. Then in the month of the election it was \$8,500.

What was going on that all of this money needed to be spent down there in Clyde?

Mr. PLEISTER. Well, I made the statement we were having a union campaign.

Mr. KENNEDY. What sort of things were they doing there, this Mr. Patterson?

Mr. PLEISTER. What sort of things was Mr. Patterson doing?

Mr. KENNEDY. Yes.

Mr. PLEISTER. Mr. Patterson was advising me.

Mr. KENNEDY. What were these extra expenses for?

The advice might cost half that much. But these were extra disbursements. What was all of that for?

Mr. PLEISTER. I really couldn't answer, sir.

Mr. KENNEDY. You couldn't answer that?

Mr. PLEISTER. I would think that part of this money was being spent for the preparation——

Mr. KENNEDY. That what?

Mr. PLEISTER. I would believe, and I couldn't answer specifically, but I would believe that part of these moneys was being spent for literature such as you had here.

Mr. KENNEDY. Did you understand he was out entertaining your employees to try to convince them not to join the union?

Mr. PLEISTER. I would think this would be a very logical thing to suppose. Actually, the taking out of employees at our plant is not a union occurrence at all.

The CHAIRMAN. At this point the Chair would like to present to you these invoices, bills rendered. There are quite a number of them in this group which are all attached.

Please identify the photostatic copies of them so that they may be made an exhibit. Some of them the counsel has referred to in interrogating you already. Do you recognize those as photostatic copies of the bills that you received?

(Documents handed to witness.)

Mr. PLEISTER. Sir, I think that we furnished these to the committee.

The CHAIRMAN. I think so. I just want to get them identified for the record.

Mr. PLEISTER. Yes, sir.

The CHAIRMAN. That group of documents may be made exhibit No. 15 for reference only.

(The documents referred to were marked "Exhibit No. 15" for reference and may be found in the files of the select committee.)

Mr. KENNEDY. Do you know if Mr. Patterson made up a general plan of attack as to how to deal with the union problem? Did he ever tell you about that?

Mr. PLEISTER. A general plan of attack?

Mr. KENNEDY. Against the union; how to deal with them.

Mr. PLEISTER. Yes. We talked about the tactics of the union on many occasions.

Mr. KENNEDY. Yes. The tactics that you were to use against them, did you ever talk about that?

Mr. PLEISTER. I am sure we must have; yes, sir.

Mr. KENNEDY. Did he ever show you this plan?

Mr. PLEISTER. What plan is this?

Mr. KENNEDY. You will see it in a second.

The CHAIRMAN. The Chair hands you three pages of notations, pencil notations, which counsel has referred to as a plan. I ask you to examine these three sheets of paper, pages 1, 2, and 3, and see if you identify them.

(At this point Senator Ervin withdrew from the hearing room.)

(The witness conferred with his counsel.)

Mr. PLEISTER. I have never seen this before, sir.

The CHAIRMAN. You have never seen that before?

Mr. PLEISTER. No, sir, Mr. Chairman.

The CHAIRMAN. Do you know that that came out of the files of your company?

Mr. PLEISTER. That came out of the files of my company?

Mr. KENNEDY. It came out of the files of the Shefferman Co., the Whirlpool-Clyde file, at the Shefferman Co., Chicago, Ill.

The CHAIRMAN. Do you know whose handwriting it is?

Mr. PLEISTER. I couldn't identify the handwriting. My counsel asked me if I could, and I said I couldn't.

Mr. NEHEMKIS. I wish the Chair would rule on whether the characterization by your distinguished counsel correctly stated the facts. Where did the document which was shown to the witness come from? The statement was made, from our files.

The CHAIRMAN. I made that statement erroneously. That has been corrected by counsel.

Mr. NEHEMKIS. I am glad to have that on the record.

The CHAIRMAN. That is on the record. I made the statement erroneously. I thought it came from your files, but I understand it came from the Shefferman files. May I ask you, Do you recognize the handwriting?

Mr. PLEISTER. I do not, sir.

The CHAIRMAN. All right, proceed.

Mr. KENNEDY. Do you recognize the plan that you used down there? Did you read it?

Mr. PLEISTER. We followed some of those things; yes, sir.

Mr. KENNEDY. You did follow it?

Mr. PLEISTER. Not the plan as such. We followed some of the procedures, yes.

The CHAIRMAN. This document that has been exhibited to the witness for his inspection may be made exhibit No. 16.

(The documents referred to were marked "Exhibit No. 16" for reference and may be found in the files of the select committee.)

The CHAIRMAN. You may read it and ask him questions about it as to what part he followed.

Mr. KENNEDY. It says—

No. 1. Find lawyer and guy who will set up the vote "no" committee.

The CHAIRMAN. That is the No. 1 item on what counsel has referred to as a plan. I assume it means instructions to your company from the Shefferman folks as to how to conduct this opposition to the union's attempt to organize.

As he reads them, you will be asked if you followed that instruction.

Mr. KENNEDY (reading):

Find lawyer and guy who will set up vote "no" committee.

The CHAIRMAN. Is that part of the instructions and counsel that you received from Shefferman's representative that you followed?

Mr. PLEISTER. Sir, if I recall correctly in this particular matter, this was suggested to us and we turned it down.

The CHAIRMAN. That suggestion you turned down?

Mr. PLEISTER. We did, sir.

The CHAIRMAN. You did not follow it. You recall the suggestion having been made?

Mr. PLEISTER. I think it was talked about. That is correct.

The CHAIRMAN. All right, proceed.

Mr. KENNEDY (reading):

No. 2. Little later, who are your leaders on inside and outside. Neilsen, find leaders and sway them.

Mr. PLEISTER. Who is Mr. Neilsen, may I ask?

Mr. KENNEDY. I don't know.

The CHAIRMAN. Was he an employee of your company?

Mr. PLEISTER. I don't recall having any Neilsen in our employment lists. In fact, I am quite certain.

Mr. KENNEDY (reading):

Going to local Legion post. Get material from them. They are willing to let us use and we will turn it over to the vote "no" committee.

Did he speak to you about going to the local American Legion post and getting material from them to turn over to the vote "no" committee?

Mr. PLEISTER. I believe, Mr. Kennedy, that in 1954, when the UE was conducting a campaign of organization, the American Legion was also conducting a campaign on un-American activities. I would think that that is what that notation refers to.

(At this point Senator Ives withdrew from the hearing room.)

Mr. KENNEDY. This might cast more light. It is in parentheses and says:

Give American Legion material we have and let vote "no" committee get it from American Legion.

The CHAIRMAN. In other words, that would imply, maybe, that you had gotten that material in 1954, and you had the material in your possession. The suggestion is that you give it back to the Legion so that the vote "no" committee can say that they got it from the Legion. Is that correct?

Mr. PLEISTER. I don't know what the notation is referring to in regards to getting information from us, unless it was some materials that had been left with me by the State attorney general's office on un-American activities.

Mr. KENNEDY. Why would you handle it by this, again, subterfuge, of giving it to the American Legion and then getting the vote "no" committee to go to the American Legion and get it from them?

Mr. PLEISTER. Mr. Kennedy, I did not give the American Legion any materials.

Mr. KENNEDY. Was this suggested to you, the idea given to you?

Mr. PLEISTER. Not about the American Legion; no, sir.

Mr. KENNEDY. That is what it says.

Senator CURTIS. Mr. Kennedy, what is the date of that paper?

Mr. KENNEDY. There is no date on the paper.

Senator CURTIS. Has that been established as instructions delivered to Whirlpool, or is it a memorandum from the Sheffermans?

Mr. KENNEDY. It is a memorandum taken from the Sheffermans' files. It was in the folder dealing with Whirlpool at Clyde, Ohio. I am asking this witness questions as to whether these instructions, this memorandum of instructions, were followed by the operators at Clyde, Ohio, in dealing with the union there. It says here—

material to use: Communism, un-Americanism, destroying our country. General: Attack and then pin them down when get closer to an issue. Hit leaders toward last. Save merchants toward last 'til gets hot.

4. Rotating committee actively going. May consider in few weeks to introduce them job analysis. Build up supervisors.

Then it says about the UE:

Don't dignify them. Call them bums and hoodlums, "cheap, common bums."

Don't argue wage differential. Don't answer it. Stay away from it. Ridicule leaders.

5. Keep your foremen meeting and we'll stay in with job analysis. We'll tell foremen what to say and do.

6. Same merchants, also clergy. When time comes, will take everybody and give it final drive.

7. Build up case against union first then throw them out. Let owner of building find out about being Communist from American Legion.

8. Might be wise to get a few boys pay them for time lost, to visit the homes, from vote "no" committee.

9. Don't look for any help from the FBI. Only chance is your own employees.

Did you follow that plan?

Have you any of the job analyses? Have you any reports that Mr. Patterson made on the job analyses?

The CHAIRMAN. Senator Curtis?

Senator CURTIS. I wanted to be clear about one thing.

This UE union—is that the labor union that has been referred to in various congressional committee hearings questioning some of their personnel as being Communists?

Mr. KENNEDY. That is correct.

Senator CURTIS. Was there any finding by the Department of Justice?

Mr. KENNEDY. I think it is generally accepted as being Communist dominated.

Senator CURTIS. Was that one of the unions involved in this plant?

Mr. KENNEDY. It was in 1953, I believe.

Mr. PLEISTER. 1954 and 1955.

Mr. KENNEDY. The UE and IUE were then making a drive?

Mr. PLEISTER. The UE was the one that was conducting the major drive at that particular time. I believe also that the IUE was also there on occasions.

Mr. KENNEDY. Do you have any of these reports that Mr. Patterson prepared? Do you have any written reports that he prepared?

Mr. PLEISTER. On what subjects?

Mr. KENNEDY. For instance, job evaluation.

Mr. PLEISTER. We have a complete job evaluation setup, sir.

Mr. KENNEDY. Yes, but have you any reports that he prepared for you?

Mr. PLEISTER. There were no reports. It was put into a complete operating procedure, with quite a substantial manual that went with it.

Mr. KENNEDY. Do you have any reports that he prepared for you?

Mr. PLEISTER. Not separate reports.

Mr. KENNEDY. Do you have any reports that he prepared for you on wage surveys? Have you written reports by Mr. Patterson of wage surveys?

Mr. PLEISTER. I am sure that many of his suggestions are in the manual today.

Mr. KENNEDY. Yes; but do you have any written reports from Mr. Patterson on the wage surveys?

Mr. PLEISTER. No, sir.

Mr. KENNEDY. Have you any written reports from Mr. Patterson on wage and salary administration?

Mr. PLEISTER. On wage and salary?

Mr. KENNEDY. Have you got written reports from him?

Mr. PLEISTER. If you consider the manuals as part of the report that was finally completed from this, I have.

Mr. KENNEDY. I want to find out whether you have any written reports from him on any of these 11 matters. I want to find out if he ever gave you a written report on any of them.

Mr. PLEISTER. It is possible that he could have. I don't recall.

Mr. KENNEDY. Do you know of any written report that he gave you on any of these matters?

Mr. PLEISTER. No, sir.

Senator McNAMARA. Are you ready to proceed?

Mr. PLEISTER. I am, Senator, and thank you very much.

Mr. Kennedy, counsel has advised me that I should again stress the point that we do have complete and full administrative manuals on these things that have been listed here, and that Mr. Patterson did work with me on many occasions in preparing these things.

Mr. KENNEDY. Did you ever write a draft of any section of that?

Mr. PLEISTER. I am sure that was the case.

Mr. KENNEDY. I want to find out whether you have any written material that he prepared at all on these matters.

Mr. NEHEMKIS. May I address Senator McNamara? I respectfully take exception. When a witness states that he has no knowledge and supplies to the committee the state of the facts, the state of facts with which he is familiar, then I do not think that counsel is within his proper rights in pursuing a preconceived theory of what he seeks to obtain. The witness has stated that he has no familiarity with written reports, and he has testified that the work done and the objects with which he was assisted represent manuals.

Senator McNAMARA. Why does he not answer the question? He can say he does not have the information. I do not know what the protest is for, and I don't understand what you are objecting to. He can just repeat; he does not know. Do you have any written reports by Mr. Patterson at all?

Mr. PLEISTER. No, sir.

Mr. KENNEDY. That is all. Now, did you ever find a breakdown or get a breakdown from Mr. Patterson, or from the LRA, as to how he was spending these amounts of money?

Mr. PLEISTER. I did not, sir. I had the invoices, as you presented them here to me, to examine, and that was all, sir.

Mr. KENNEDY. For instance, in August of 1955, company fees were \$2,300, but, above that, he disbursed \$1,975.25. Could you tell us where that went?

Mr. PLEISTER. I cannot.

Mr. KENNEDY. And, in September of 1955, the fee was \$2,100, but he disbursed down in Clyde, Ohio, \$1,742.09. Where did that money go?

Mr. PLEISTER. As I have testified, I do not know, sir.

Mr. KENNEDY. We go on, \$2,000 in October disbursements, and in November \$1,800, and \$2,200 in December, \$5,300 in March. Where would he spend all of that money? You don't know that?

Mr. PLEISTER. No, sir.

Mr. KENNEDY. That is all for that.

The CHAIRMAN. All right, sir. Thank you very much.

Call the next witness.

Senator CURTIS. Pardon me. I have a question.

Did the vote "no" committee of 1950 and prior years have some of the same members that continued throughout the later years?

Mr. PLEISTER. Senator Curtis, I would not be able to answer that. I really don't know.

Senator CURTIS. When did your company take over that plant?

Mr. PLEISTER. The Whirlpool Corp. took over the plant after April 1, 1952. However, I was a former employee of the Clyde Porcelain Steel Corp.

Senator CURTIS. Not in the capacity you are now.

Mr. PLEISTER. No, not at that particular time. My job was material handling, sir.

Senator CURTIS. It was your understanding that they had such a committee?

Mr. PLEISTER. Yes; there was literature distributed at that time, too, sir.

The CHAIRMAN. All right.

The CHAIRMAN. Mr. Audritsch, will you come around, please?

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. AUDRITSCH. I do.

TESTIMONY OF LOUIS AUDRITSCH

The CHAIRMAN. State your name and your place of residence, and your business or occupation.

Mr. AUDRITSCH. My name is Louis Audritsch, Green Springs, Ohio, and I edit and publish a weekly newspaper in that town, which is near Clyde, Ohio.

The CHAIRMAN. Do you waive counsel?

Mr. AUDRITSCH. Yes, sir.

Mr. KENNEDY. Mr. Audritsch, you have a printing company as well as operating a newspaper?

Mr. AUDRITSCH. I publish a newspaper and also a job printer.

Mr. KENNEDY. Are you familiar with the so-called vote "no" committee?

Mr. AUDRITSCH. Definitely.

Mr. KENNEDY. Could you tell us how that committee came into operation?

Mr. AUDRITSCH. Yes. I talked to the man sitting at your left yesterday in that regard, Mr. Salinger, and I told him at that time that I could figure only one answer, but the names used in the vote "no" committee must have been, and I did not state it as a fact, and I think that you will recall that, must have been given to me by personnel. I could figure no other way for it.

Mr. KENNEDY. What personnel?

Mr. AUDRITSCH. Personnel at the Whirlpool.

At that moment I assumed that, you understand, and I was trying to recall it. However, after I talked to the man to your left I was then talking to the boy that was with me from Clyde, Ohio, who you probably call the chairman of the vote "no" committee, and he told me that he came up with the names. You understand, I could not recall it definitely. So he tells me that he came up with the names, and he knew that three boys on the committee, and he knew how they felt about unionizing Clyde.

Mr. KENNEDY. And he says that he gave you the names?

Mr. AUDRITSCH. That is what he told me.

Mr. KENNEDY. So that you were in error yesterday when you talked to us?

Mr. AUDRITSCH. Well, I put it out as an answer I was not sure of.

Mr. KENNEDY. Well, did you work with the vote "no" committee after that?

Mr. AUDRITSCH. Definitely.

Mr. KENNEDY. You did?

Mr. AUDRITSCH. Yes, sir.

Mr. KENNEDY. Did you print some of the literature used?

Mr. AUDRITSCH. I presume I printed all of it.

Mr. KENNEDY. How was that ordered, that literature?

Mr. AUDRITSCH. What do you mean?

Mr. KENNEDY. How did you come to print it, and what occurred, and what happened?

Mr. AUDRITSCH. You mean who wrote it or ordered it?

Mr. KENNEDY. Yes.

Mr. AUDRITSCH. Mr. Patterson.

Mr. KENNEDY. Could you tell us about that; how did you meet Mr. Patterson?

Mr. AUDRITSCH. I don't know whether I could place that or not. It could be he just came into my shop as any other customer would, and I can't recall that.

Mr. KENNEDY. And he said he wanted some printing done?

Mr. AUDRITSCH. Now wait a minute. After the vote "no" committee was into effect is when he ordered this printing and when he and I, in fact, cooperated in it.

Mr. KENNEDY. He came in and said he was doing the ordering for the vote "no" committee?

Mr. AUDRITSCH. Now, wait a minute.

Mr. KENNEDY. You explain it in your own words.

Mr. AUDRITSCH. The committee was then in existence, and then he had to depend on somebody and Patterson and I were made for each other. He was looking for somebody or he could use somebody, and I was looking for someone, let us say, to take up the union side of this picture, or the company side, I should say.

Mr. KENNEDY. So what did he say to you, and what arrangements were made between Mr. Patterson and yourself?

Mr. AUDRITSCH. In what regard?

Mr. KENNEDY. Regarding the literature and the operation of the committee.

Mr. AUDRITSCH. Well, I might put it this way, that literature was planned and was printed, and delivered to the members of the vote "no" committee, and they passed it out.

Mr. KENNEDY. Who paid for that?

Mr. AUDRITSCH. The Whirlpool Corp.

Mr. KENNEDY. They paid for all of it?

Mr. AUDRITSCH. Yes, sir.

Mr. KENNEDY. Did Mr. Patterson pay for it directly?

Mr. AUDRITSCH. Oh, no.

Mr. KENNEDY. The bills were all sent to the Whirlpool Corp.?

Mr. AUDRITSCH. That is right. I think I exhibited that to Mr. Salinger.

Mr. KENNEDY. But Mr. Patterson never paid for any of this literature himself?

Mr. AUDRITSCH. No.

Mr. KENNEDY. Do you know what he was using these large sums of money for, then?

Mr. AUDRITSCH. I would not have any knowledge of that whatsoever, because I consulted and worked with Mr. Patterson strictly on the printing, and producing it, and delivering it.

Mr. KENNEDY. Who would make up the drawings and the cartoons?

Mr. AUDRITSCH. I don't know who did that.

Mr. KENNEDY. Would he arrive at the printing establishment with those things?

Mr. AUDRITSCH. It runs in my mind that the actual artwork was done by some nearby artist but I don't know the man at all. I think I could say he comes from Fostoria, but I could not identify him.

Mr. KENNEDY. How did you arrange to have the bills sent to the Whirlpool Co.? Who told you to do that?

Mr. AUDRITSCH. Who told me to do that?

Mr. KENNEDY. Yes.

Mr. AUDRITSCH. I don't believe I can answer that either.

Mr. KENNEDY. What about this? What function did the "no" committee have?

Mr. AUDRITSCH. Primarily the distribution of literature.

Mr. KENNEDY. They would come by and pick it up?

Mr. AUDRITSCH. Or I would deliver it to them.

Mr. KENNEDY. Did they ever meet and discuss matters with you?

Mr. AUDRITSCH. Yes; they met down in my house some evenings.

Mr. KENNEDY. Other than that?

Mr. AUDRITSCH. Yes; one meeting after the election.

Mr. KENNEDY. During the election were there any meetings?

Mr. AUDRITSCH. Not as such, not as a meeting.

Mr. KENNEDY. They would just come down and pick up the literature that had been ordered?

Mr. AUDRITSCH. Or I delivered it.

Mr. KENNEDY. By Mr. Patterson and paid for by the Whirlpool Corp.?

Mr. AUDRITSCH. That is right.

The CHAIRMAN. Do you know whether they were paid for delivering the literature?

Mr. AUDRITSCH. To my knowledge, sir, they did not receive 1 cent.

The CHAIRMAN. I was trying to determine, it seemed that Mr. Patterson had some large expense accounts, and the witness preceding you—

Mr. AUDRITSCH. I gathered that much.

The CHAIRMAN. Said he could not account for them or say what it was for, and I am trying to determine what it was for.

Mr. AUDRITSCH. That is just a little bit out of my line.

The CHAIRMAN. I can appreciate that, unless you may have some information. I am wondering whether not only the company paid for the developing and printing and preparing of the literature that was sent out, but whether the company paid the vote "no" committee members for their time and labor in distributing it. That is what I would like to know.

Mr. AUDRITSCH. I believe I can put this out as a fact, to my knowledge, sir, that no one got 1 dime out of it.

The CHAIRMAN. We are still trying to find out what all of this expense money was for.

Mr. AUDRITSCH. I see your point. I see what you are after.

The CHAIRMAN. It is not clear.

Mr. AUDRITSCH. I see what you are talking about, the large sums of money.

The CHAIRMAN. There is a lot of expense there that since you were paid directly from the company, he was spending a lot of money, or at least charging a lot to the company for some items of expense that we are not able to account for. I thought it might be that these vote "no" committee members were being paid for distributing it.

Mr. AUDRITSCH. Oh, no; at least to my knowledge they were not.

The CHAIRMAN. All right.

Mr. KENNEDY. How did you happen to have the conversation with the head of the vote "no" committee, that he gave you the names?

Mr. AUDRITSCH. You are talking about a young man by the name of Ivan Sieger, and I have known Ivan Sieger since he was 4 or 5 years old, all of my life I have known him, and he is the type of guy I meet on the street and talk to, and maybe the next week I see him again.

Mr. KENNEDY. What conversation did you have?

Mr. AUDRITSCH. That is hard to figure out, and hard to remember, but I do recall this much, that we must have been talking about the union activity at Clyde. Now, you must remember I am very much interested in Clyde, Ohio.

Mr. KENNEDY. How did the vote "no" committee get established, then? Did you suggest it to him or did he suggest it?

Mr. AUDRITSCH. I told you about that a minute ago, that I was wrong yesterday when I said I thought I got it from personnel.

Mr. KENNEDY. You got the names from him, is that right?

Mr. AUDRITSCH. Mr. Sieger, yes.

Mr. KENNEDY. Was it your idea to form a vote "no" committee?

Mr. AUDRITSCH. No.

Mr. KENNEDY. Whose idea was it?

Mr. AUDRITSCH. That could have been any number of people.

Now wait a minute, it might have come from Mr. Patterson, and it might have come from anybody at Whirlpool, or might have come from somebody on the street, and I can't say, because I don't know.

Mr. KENNEDY. Didn't you suggest yesterday, or tell Mr. Salinger yesterday, that the idea came from Mr. Patterson?

Mr. AUDRITSCH. I think that I could have said it could have, much as I said the members of the vote "no" committee also came from there. I said maybe they did, and I didn't know.

Mr. KENNEDY. But your mind is a blank as to how the vote "no" committee was formed or how they happened to have the idea?

Mr. AUDRITSCH. The original idea, it could have come from Mr. Patterson, and I don't know.

Mr. KENNEDY. What is your—

Mr. AUDRITSCH. You must remember this, sir, that I seem to be a natural in Green Springs for that activity, because I have been publishing a newspaper there for many, many years, and through those years I have opposed unionizing Clyde definitely.

Mr. KENNEDY. I am not questioning that at all.

Mr. AUDRITSCH. I am telling you why I am a natural.

Mr. KENNEDY. I am not questioning you weren't a natural person to come to, and I am trying to find out who came to you.

Mr. AUDRITSCH. I can assume Mr. Patterson did, and wouldn't that be natural for him to come to me?

Senator CURTIS. What year are we talking about?

Mr. KENNEDY. 1955; is that right?

Mr. AUDRITSCH. 1955 or 1956, whenever this activity took place, sir.

The CHAIRMAN. We are talking about the activities preceding the last election.

Mr. AUDRITSCH. Yes; when it was voted down 3 to 1.

Mr. KENNEDY. The organization started in August of 1955 and went through March of 1956, I believe the election was held.

Mr. AUDRITSCH. There is apt to be some confusion there because of that other activity some 6 or 7 years ago.

Senator CURTIS. How long have you published a newspaper around there?

Mr. AUDRITSCH. I became owner in 1934, sir, and I started my apprenticeship in 1926.

Senator CURTIS. What community do you live in?

Mr. AUDRITSCH. Green Springs, Ohio, 5 miles from Clyde.

Senator CURTIS. How big a place is Green Springs?

Mr. AUDRITSCH. Approximately 1,000 people.

Senator CURTIS. It is 5 miles from Clyde?

Mr. AUDRITSCH. Five or six miles; yes, sir.

Senator CURTIS. How long have you lived in that area?

Mr. AUDRITSCH. I have lived there 46 years.

Senator CURTIS. Now, this employees' committee that came to you there, did you know those men?

Mr. AUDRITSCH. I will keep it down to one now, because you remember I corrected myself on the one; that is Mr. Sieger. He happens to be here with me, by the way, and I presume will appear shortly. I have known him for many years, and he lived 2 miles north of my little town of Green Springs, and he is simply one of our hometown boys.

Senator CURTIS. Did you know any of the rest of them?

Mr. AUDRITSCH. No; I didn't, sir.

Senator CURTIS. But you did know Mr. Sieger?

Mr. AUDRITSCH. Yes, sir.

Senator CURTIS. Now, your background as a newspaperman, I think, makes you able to judge people and their actions a little better than average. In your opinion were these employees who were resisting the union genuinely speaking their own mind and conviction, or did you get the impression that they were prompted or caused to do that by reason of reward or threatened retaliation? Do you have an opinion on it?

Mr. AUDRITSCH. You are talking about the people in favor of the union over there?

Senator CURTIS. I am talking about the members, the workers, who were resisting the union, the workers who were taking a position against union organization.

Mr. AUDRITSCH. Against the union?

Senator CURTIS. Yes, and now in your opinion were they expressing their own genuine thoughts and convictions, or in your opinion were they voicing someone else's position by reason of possible rewards or threats?

MR. AUDRITSCH. I can state that positively it was their own opinion. I mean the company didn't hold a club over anybody or didn't offer anybody anything, and it wasn't that sort of a picture at all.

SENATOR CURTIS. Your contact with them convinced you that they believed in what they were doing?

MR. AUDRITSCH. Absolutely, every one of them.

SENATOR CURTIS. And were motivated because of their feeling about it.

MR. AUDRITSCH. Because of their feelings as workers at Whirlpool.

SENATOR CURTIS. That is all.

THE CHAIRMAN. Mr. Audritsch, was that primarily, or let me ask you first, had there been general public sentiment in your cities there or in the community at large against unionization?

MR. AUDRITSCH. I would say there is no question about that, sir.

THE CHAIRMAN. And your paper has supported that policy, I assume, throughout the years?

MR. AUDRITSCH. For many, many years.

THE CHAIRMAN. And other public-spirited citizens had the same feeling about it?

MR. AUDRITSCH. And I can also say other papers in the area.

THE CHAIRMAN. What is that?

MR. AUDRITSCH. Other papers in the area; I think I can safely say that.

THE CHAIRMAN. So that you think that the opposition, when you say they were speaking their own mind and exercising their own best judgment, it was a mind and judgment that had been subjected to very great extent to general public sentiment in the community as expressed by your paper and other citizens?

MR. AUDRITSCH. And all factors in any community.

THE CHAIRMAN. I am sure of that, and there was another factor in this, I assume, that caused them to oppose unions or the plant being organized, and that was the number of benefits or generally the treatment that the company gave them.

MR. AUDRITSCH. That they already had; yes.

THE CHAIRMAN. That they already had?

MR. AUDRITSCH. Yes, sir.

THE CHAIRMAN. And there was a feeling, whether it was wholly justified or not, there was a feeling among the employees—most of them at least—that the organization of the plant would not be to their interest?

MR. AUDRITSCH. That is exactly true, sir.

THE CHAIRMAN. I am not saying that they were wrong, or right, but you feel that that was their general and honest feeling because of the two principal factors I have mentioned, the general public sentiment in the community and the treatment and policy of the company toward them?

MR. AUDRITSCH. All of those things entered into that, yes. That is right.

THE CHAIRMAN. All right. Is there anything further?

MR. KENNEDY. If I could go just back a second on where the idea for the committee came from, you are not able to cast any light on that?

MR. AUDRITSCH. I can't put it out in such a way that would definitely pin it down.

Mr. KENNEDY. What is your best judgment as to where it came from?

Mr. AUDRITSCH. My best judgment is that Mr. Patterson and I must have been talking, and I can see there is no use for me to spin up an answer for it. I will put it out as I think it happened, and I can't put it out as a fact.

Mr. KENNEDY. You believe it was from Mr. Patterson?

Mr. AUDRITSCH. I believe, but I can't say it as a fact.

Mr. KENNEDY. I just wanted to get your best judgment.

Senator McNAMARA. I would like to ask the witness just a couple of questions.

You indicated that you thought it was better for your community if you didn't have a union in this plant.

Mr. AUDRITSCH. Yes.

Senator McNAMARA. What is your reason for that? You were afraid they would be making too much money in the plant and it would be bad for the community?

Mr. AUDRITSCH. My basic reasons are this: I have read and seen enough examples of communities upset, maybe for a week, or a month, or months at a time, over trouble, layoffs, all sorts of rough things, broken windows and anything you want, that I wanted no part of that out in the country where I am at, and I am sure that is a feeling of a great many people down there.

Senator McNAMARA. You were motivated by your civic interest?

Mr. AUDRITSCH. Definitely.

Senator McNAMARA. Because you had no interest in the plant.

Mr. AUDRITSCH. No; I have an interest; sure. I do business there, and that is no secret, either.

Senator McNAMARA. But you are actually motivated, and you wanted no disturbance in the community, and you were activated by your civic interest.

Mr. AUDRITSCH. It is the way I honestly feel about it.

Senator McNAMARA. Do you know about how much an hour they paid these employees?

Mr. AUDRITSCH. I can't give you that, but I have seen tables, comparative tables between the Clyde plant and other industries within the area, and it is at the head of the list, always.

Senator McNAMARA. You thought, then, the wages were about what they should be?

Mr. AUDRITSCH. I thought they were very good.

Senator McNAMARA. You think there they were \$1.50?

Mr. AUDRITSCH. The average is much greater than that; I am sure of that.

Senator McNAMARA. Much higher than that?

Mr. AUDRITSCH. Yes, sir; and I wish I had those figures to give you; somebody should give it to you.

Senator McNAMARA. As a newspaperman, you generally have an idea?

Mr. AUDRITSCH. I can't carry that around.

Senator McNAMARA. But you had in mind that they were rather high wages for that type of industry?

Mr. AUDRITSCH. It is the best paying plant in that whole area.

Senator McNAMARA. You didn't think that they needed a union because they were getting pretty good wages and working conditions?

Mr. AUDRITSCH. Better than any plant in that area, for comparable jobs.

The CHAIRMAN. Is there anything further?

All right; thank you very much.

Call the next witness.

Mr. KENNEDY. Mr. Patterson.

Before Mr. Patterson takes the stand, could we get Mr. Salinger to testify as to how much money actually went in during this period of time?

The CHAIRMAN. All right. Will you testify, Mr. Salinger? Have you been sworn in this particular series of hearings?

Mr. SALINGER. I have, sir.

The CHAIRMAN. Proceed, Mr. Kennedy.

TESTIMONY OF PIERRE SALINGER—Resumed

Mr. KENNEDY. Mr. Salinger, have you made a study of the payments that were made by Whirlpool-Clyde to Labor Relations Associates?

Mr. SALINGER. I have.

Mr. KENNEDY. For what period of time?

Mr. SALINGER. For the period April 30, 1953, to July 31, 1956.

Mr. KENNEDY. Can you tell us what the total is? Give us a breakdown per year.

Mr. SALINGER. In 1953, the total paid was \$6,627.60.

The CHAIRMAN. What was that paid for, now?

Mr. SALINGER. That is paid for what they call fees, which are the actual service fees for the time spent by the employees, and disbursements, which is the amount of money spent by the LRA employee—

The CHAIRMAN. Whom is this referring to—the LRA?

Mr. SALINGER. This is the amount of money paid by the Whirlpool Corp. at Clyde to LRA.

The CHAIRMAN. All right.

Mr. SALINGER. I could break this down as to fees and expenses each year, if you want to do that.

Mr. KENNEDY. Why don't you do that, too.

Mr. SALINGER. In the year 1953, the fees were \$4,800; the expenditures, \$1,827.60.

The CHAIRMAN. For the whole year?

Mr. SALINGER. For the entire year, a total of \$6,627.60.

Senator CURTIS. Let me ask something there. By expenditures, is that expenditures within the plant or at Clyde, or is it expenditures made, perhaps, to another point?

Mr. SALINGER. The expenditures break down to a number of categories. I can give them to you, Senator. They include hotel bills for the employees of LRA when they are in Clyde or working down there. They include their actual meals. They include cost of telephone calls. They include cost of entertainment. In this particular case, we have an additional category which is labeled simply "Materials and Supplies."

Senator CURTIS. What does that mean?

Mr. SALINGER. I might say that is the largest item of all.

Senator CURTIS. In 1953?

Mr. SALINGER. Over this 4-year period that I am going to go into. Senator CURTIS. But these figures are for 1953?

Mr. SALINGER. In 1953, we have them broken down as disbursements and fees. I can give you a breakdown for the entire 4-year period for each of these items, but not year by year on each of the items that I just talked about.

Senator CURTIS. I thought there wasn't a breakdown for 1953.

Mr. SALINGER. The company never asked for and never received a breakdown, but we have made our own breakdown.

Senator CURTIS. All right.

The CHAIRMAN. In other words, the fees were the regular per diem: they paid them for their services, whether by the hour, week, or month.

Senator CURTIS. That is right.

The CHAIRMAN. The other that you refer to are the expenses that the LRA incurred or their representatives incurred that was charged to the company?

Mr. SALINGER. That is correct, sir.

The CHAIRMAN. All right. Those two categories.

Mr. SALINGER. In the year 1954, the fees amounted to \$7,050. The disbursements amounted to \$3,733.45, a total for the year of \$10,783.45. In the year 1955, the fees amounted to \$17,500, and the disbursements amounted to \$16,642.34, a total for that year of \$36,313.04.

In the year 1956, the services of LRA were terminated after July 31, so for the period January 1 through July 31 of that year, the fees were \$6,900, the expenses \$10,513.64, a total for that year of \$17,413.64, and a combined total for the 3-year period of \$71,137.73.

The CHAIRMAN. What part of that is fees and what part disbursements?

Mr. SALINGER. Fees and disbursements? It will take just a second, Senator.

The CHAIRMAN. I thought you had it. You gave the overall total. Break it down in disbursements.

Mr. SALINGER. The amount of fees was \$36,250, and the amount of disbursements was \$24,887.73.

The CHAIRMAN. That gives you a grand total of what?

Mr. SALINGER. \$71,137.73.

The CHAIRMAN. Now we have it. In this period the item "materials and supplies," which was charged by Mr. Patterson to the Whirlpool Co.—

Mr. KENNEDY. Do you want to make sure that figure is right?

Mr. SALINGER. Excuse me. The disbursements should be \$34,000 instead of \$24,000: \$34,887.73. This item of materials and supplies, which begins cropping up in Mr. Patterson's expense accounts in 1955, in the period of 1955 and 1956 Mr. Patterson spent a total of \$11,950.55 on materials and supplies.

The CHAIRMAN. Is there any indication of what materials and supplies consisted of?

Mr. SALINGER. None whatever, Senator.

The CHAIRMAN. You don't know whether it was raw material, finished material, or something in between?

Mr. SALINGER. His daily reports just indicate "materials and supplies."

The CHAIRMAN. All right. Thank you very much.

Mr. KENNEDY. May I just ask you this: Is there a direct relationship between the amount of money spent on expenses, these disbursements, and the organizational drive by unions?

Mr. SALINGER. There definitely is. For example, the 1956 organizational drive ended in March of 1956. That month the disbursements were \$5,344.50. The next month the disbursements were \$92.85.

Mr. KENNEDY. So it went from over \$5,000 to \$92; is that correct?

Mr. SALINGER. That is right.

The CHAIRMAN. That clearly indicates that the bulk of this expenditure, at least for the years 1955 and 1956, was spent in connection with the opposition to the effort to organize.

Mr. SALINGER. Ninety-five percent of the money was spent in the period June 30, 1955 to March 1, 1956.

The CHAIRMAN. I am not passing on the validity of it as to whether it is proper or improper. But obviously, from those figures it indicates that the principal expenditure for the service they were getting in fees and disbursements were expenditures in opposition to unionization of the plant.

Mr. SALINGER. That is right, sir.

The CHAIRMAN. Thank you.

Mr. KENNEDY. Mr. Patterson?

The CHAIRMAN. You do solemnly swear that the evidence you shall give before this select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. PATTERSON. I do.

TESTIMONY OF WALTER J. PATTERSON, ACCOMPANIED BY HIS COUNSEL, RAOUL BERGER

The CHAIRMAN. State your name, place of residence and business or occupation.

Mr. PATTERSON. My name is Walter J. Patterson. I live in Chicago, Ill.

What was the other question, Senator?

The CHAIRMAN. Your business or occupation.

Mr. PATTERSON. I am a consultant with Labor Relations Associates of Chicago, Inc.

The CHAIRMAN. Do you have counsel present?

Mr. PATTERSON. Yes.

The CHAIRMAN. Please identify yourself for the record.

Mr. BERGER. My name is Raoul Berger. I am an attorney practicing here in Washington.

The CHAIRMAN. Thank you.

How long have you been with LRA? Is that the correct initials?

Mr. PATTERSON. That is what it is called, sir; yes.

The CHAIRMAN. Labor Relations Associates?

Mr. PATTERSON. Yes.

The CHAIRMAN. How long have you been an employee of it?

Mr. PATTERSON. The last time steadily with them since the fall of 1950. That would make approximately 5 years, sir.

The CHAIRMAN. Around 6 years?

Mr. PATTERSON. Well, then I left them a year and then came back 6 months later.

The CHAIRMAN. You worked for them 5 years out of the last 6?

Mr. PATTERSON. Yes, sir.

The CHAIRMAN. And you are still in their employ?

Mr. PATTERSON. I am, sir.

The CHAIRMAN. What is your title or capacity?

Mr. PATTERSON. Consultant.

The CHAIRMAN. As a consultant. In what branch of their endeavors?

Mr. PATTERSON. The Chicago office, sir.

The CHAIRMAN. That is your location, but they have different services they perform, as I understand it. What particular service are you a consultant to?

Mr. PATTERSON. Matters pertaining to personnel relations; setting up of records.

The CHAIRMAN. Setting up what?

Mr. PATTERSON. Setting up of personnel records, recommendations for the same, recommendations on procedures under the heading of personnel practices. Anything that would come under the heading of employer-employee relations.

The CHAIRMAN. In other words, you would be a consultant if a company was undertaking to resist unionization of its plant? Would you be a consultant in that particular field?

Mr. PATTERSON. I have acted in that capacity, sir.

The CHAIRMAN. Thank you very much.

All right, Mr. Kennedy.

Mr. KENNEDY. While acting in that capacity, have you used names other than the name of Walter J. Patterson?

Mr. PATTERSON. I was reminded of that by Mr. Salinger. Yes, sir; I have.

Mr. KENNEDY. What other names have you used?

Mr. PATTERSON. Perhaps Patton.

Mr. KENNEDY. What is the name?

Mr. PATTERSON. P-a-t-t-o-n.

Mr. KENNEDY. Where did you use the name of Patton?

Mr. PATTERSON. I can't definitely recall. Perhaps Mr. Salinger can refresh my mind.

Mr. KENNEDY. In Minneapolis, Minn.?

Mr. PATTERSON. I wouldn't recall what the name was that I used there.

Mr. KENNEDY. You stayed at the Dyckman Hotel, W. J. Patton?

Mr. PATTERSON. That may be very true.

Mr. KENNEDY. What case were you on at that time?

Mr. PATTERSON. I believe it was on the case involving the Three Sisters store.

Mr. KENNEDY. A department store up there?

Mr. PATTERSON. It is a women's apparel shop.

Mr. KENNEDY. And you stayed at the Hotel Dyckman?

Mr. PATTERSON. I believe I stayed other places besides the Dyckman. I can't recall which they were, sir.

Mr. KENNEDY. Was there a union attempting to organize the Three Sisters at that time?

Mr. PATTERSON. There was, sir.

Mr. KENNEDY. And you were up there working on that?

Mr. PATTERSON. I was.

Mr. KENNEDY. Then down in Little Rock, Ark. Did you use another name in Little Rock, Ark.?

Mr. PATTERSON. I did. However, I cannot recall what name that was at the time.

Mr. KENNEDY. Mr. P. K. Ridgway?

Mr. PATTERSON. I believe that was it.

Mr. KENNEDY. What were you doing down there in Little Rock in 1953?

Mr. PATTERSON. I had come down there to check with one of our staff members. I don't recall the name of the store because I never got there. I was taken off the job before I began any operations or work there.

Mr. KENNEDY. Why did you use the name Patton up in Minneapolis? Why did you use a different name?

Mr. PATTERSON. Well, let's say it is not unusual in this business, where you wouldn't want to identify yourself completely in the event that some unusual organizer might recognize you by name, and they make capital of it by saying they have gotten professional advice from outside.

Mr. KENNEDY. What union was attempting to organize up there?

Mr. PATTERSON. As I recall, it was the retail clerks.

Mr. KENNEDY. Did Mr. Shefferman suggest that you use different names in these places?

Mr. PATTERSON. That I couldn't say, sir. I am sure some of it was on my own accord.

Mr. KENNEDY. Is it the same explanation for using the name of Mr. P. K. Ridgway down in Little Rock?

Mr. PATTERSON. It would have been, I am sure.

The CHAIRMAN. If Little Rock is going to get into this picture, I want to know what you were doing down there.

Mr. PATTERSON. Sir, I will do my best to remember, but I do not remember the name of the store that I was originally going down to.

The CHAIRMAN. Was it a store?

Mr. PATTERSON. Yes, but I don't remember the name of it, sir.

The CHAIRMAN. Was it in Little Rock?

Mr. PATTERSON. As far as I know, it was in Little Rock; yes, sir.

The CHAIRMAN. You never made contact?

Mr. PATTERSON. No, sir.

The CHAIRMAN. But you used a different name?

Mr. PATTERSON. Yes, sir.

The CHAIRMAN. Why did you say you failed to make contact?

Mr. PATTERSON. Because, as I recall, Mr. Shefferman asked me to go to another job from there.

The CHAIRMAN. How long were you there? I can't understand you didn't make contact. By the time you got there you had orders to go somewhere else; is that what you are saying?

Mr. PATTERSON. No. It was later. I don't recall the exact dates.

Mr. KENNEDY. You said at that time, according to your registration, that you were from Minneapolis, Minn. You are not from Minneapolis, are you?

Mr. PATTERSON. No, sir.

Mr. KENNEDY. You are from Chicago?

Mr. PATTERSON. Chicago is my residence; yes.

Mr. KENNEDY. Did you use any other name other than Patton and Ridgway?

Mr. PATTERSON. I may have. I do not recall at this time what they were. Perhaps Mr. Salinger can refresh my mind.

Mr. KENNEDY. How about the Aldrich Hotel in McAllister, Okla.?

Mr. PATTERSON. We discussed that, Mr. Salinger and myself, and that was evidently a typographical error of the recording room clerk.

Mr. KENNEDY. It was Patton Waffers.

Mr. PATTERSON. It was intended to be Walters.

Mr. KENNEDY. You intended to use your right name there?

Mr. PATTERSON. If I registered Walters, it was a different name; yes, sir.

Mr. KENNEDY. You were going to use Patton Walters. What case were you working on out there?

Mr. PATTERSON. That was McAllister, Okla., was it not?

Mr. KENNEDY. Yes.

Mr. PATTERSON. That would have been Seampruf.

Mr. KENNEDY. Seampruf?

Mr. PATTERSON. Yes.

Mr. KENNEDY. Was there an attempt to organize them at that time?

Mr. PATTERSON. There had been, and I imagine it is still going on.

Mr. KENNEDY. What union was trying to organize them?

Mr. PATTERSON. I believe—don't hold me to this, but I think it was the International Ladies' Garment Workers.

Mr. KENNEDY. The what?

Mr. PATTERSON. I think it was the International Ladies' Garment Workers. I am not certain of that.

Mr. KENNEDY. Do you know Judge Jones down there?

Mr. PATTERSON. The name is not at all familiar.

Mr. KENNEDY. What about Walter Justin? Did you use that name?

Mr. PATTERSON. I may have.

Mr. KENNEDY. The Hotel Douglas, in Newark, N. J., in 1954?

Mr. PATTERSON. I believe I did; yes, sir.

Mr. KENNEDY. In 1954? What were you doing in Newark, N. J., in September of 1954?

Mr. PATTERSON. I believe that can be substantiated by my daily reports accounting form there. I think it was the Kresge's Newark department store.

Mr. KENNEDY. Was there an attempt to organize them going on at the time?

Mr. PATTERSON. A certain section of the store; yes, sir.

Mr. KENNEDY. By whom?

Mr. PATTERSON. I believe it was the hotel, restaurant, and bartenders union.

Mr. KENNEDY. Did you get any help from Mr. Lou in that connection?

Mr. PATTERSON. I have heard of Mr. Lou. I don't know—

Mr. KENNEDY. Mr. Abe Lou?

Mr. PATTERSON. Yes; I have heard of him, but I don't know him personally.

Mr. KENNEDY. He didn't help you when you were there?

Mr. PATTERSON. By "help," what do you mean?

Mr. KENNEDY. In the broadest context. Did he give you any assistance, help, aid of any kind?

Mr. PATTERSON. Not to my knowledge.

Mr. KENNEDY. Could he have done it without your direct knowledge? Did you learn from your headquarters that he had helped you?

Mr. PATTERSON. I hardly believe so because it came to a vote, a secret ballot election——

Mr. KENNEDY. A what?

Mr. PATTERSON. It came to a secret ballot election, and as I recall it, I think the union won that election.

Mr. KENNEDY. What position did Mr. Lou have at the time? What position did you understand he had?

Mr. PATTERSON. I don't recall discussing Mr. Lou whatsoever.

Mr. KENNEDY. Did you ever discuss him with Mr. Shefferman, Mr. Abe Lou?

Mr. PATTERSON. No; never.

Mr. KENNEDY. So you have used the names Walter Justin, Pat Waffers, P. K. Ridgway, W. J. Patton, and Pat Walters; is that right? Are there any others that you can think of?

Mr. PATTERSON. I don't believe so. Can Mr. Salinger help me?

Mr. KENNEDY. You can't think of any others yourself?

Mr. PATTERSON. No, sir.

The CHAIRMAN. I didn't understand your explanation of why you used aliases when you went to these places. There may be a good reason for it. Ordinarily those things are not associated with legitimate businesses. But I do not know the reason why you used it. Why did you?

Mr. PATTERSON. My explanation, as I recall, was that when going into a town there may be the same union organizer involved that may have been involved in some other case.

The CHAIRMAN. If he should happen to see you, the fact that you had changed your name wouldn't matter much, would it?

Mr. PATTERSON. Not so much, but let's say it is a precaution that I no longer used——

The CHAIRMAN. I beg your pardon?

Mr. PATTERSON. It is a precaution that I haven't used for some time.

The CHAIRMAN. You haven't found that it was of any great value?

Mr. PATTERSON. Frankly, I found it of no value whatsoever.

The CHAIRMAN. All right.

Mr. KENNEDY. Did you know if the employees of Mr. Shefferman generally used or often used aliases?

Mr. PATTERSON. That I couldn't be too well acquainted with, sir. I happen to know that one of our associates is known by his nickname or shortened name rather than his full last name. That is the only one I am really acquainted with.

Mr. KENNEDY. Do you know, for instance, if Shelton Shefferman used aliases when he went on trips?

Mr. PATTERSON. I would have no knowledge.

Mr. KENNEDY. How about Nathan Shefferman? Would you have any knowledge about that?

Mr. PATTERSON. No, sir; I wouldn't.

Mr. KENNEDY. What about Jimmy Neilsen? Do you know whether he did?

Mr. PATTERSON. I read about Mr. Neilsen in a few publications. That is where it came to my attention. Otherwise I didn't know about that before.

Mr. KENNEDY. You were down in Clyde, Ohio, were you, working with Whirlpool?

Mr. PATTERSON. Yes, sir.

Mr. KENNEDY. And you went down there at what time—1953?

Mr. PATTERSON. According to my best recollection, it would be, I think it was, in December, late December 1953. I am not absolutely certain on that. This is trying to recollect.

Mr. KENNEDY. In 1954 you came back again?

Mr. PATTERSON. In 1954; yes. There were intermittent periods that I was in Clyde, I think, in 1954. I don't know whether that bears it out or not.

Mr. KENNEDY. And you were there in 1954 and 1955?

Mr. PATTERSON. And part of 1956.

Mr. KENNEDY. And part of 1956?

Mr. PATTERSON. That is right, sir.

Mr. KENNEDY. Were you there during the organizational drive of the UE and the IUE down there at Whirlpool?

Mr. PATTERSON. At least I was there for part of the UE drive, and up until the election involving the IAM. I don't recall the IUE, though. They may have been there.

Mr. KENNEDY. And the IAM was there? When were they there?

Mr. PATTERSON. They came in very soon after the UE left.

Mr. KENNEDY. When was the UE attempting to organize?

Mr. PATTERSON. I didn't hear you.

Mr. KENNEDY. When was the UE attempting to organize?

Mr. PATTERSON. I believe it had been going on for some time, and nobody was paying too much attention to it.

Mr. KENNEDY. Did you have any dealings with them? Were you trying to handle it at all?

Mr. PATTERSON. Frankly, when I went down there first I was more concerned in inspecting the personnel practices of the company, the foremen training sessions, establishment of policy, along with the top policymaking committee of the company, and making recommendations for procedures under the broad policy of the company.

We finally did establish a supervisors' manual as a result of all of these things and operations, which I believe Mr. Pleister mentioned.

Mr. KENNEDY. Did you deal with the union at all, the attempts by the union, the UE, to organize the Whirlpool Co.?

Mr. PATTERSON. Toward the latter part of their stay there, as I recall, I did; yes.

Mr. KENNEDY. What did you do for that?

Mr. PATTERSON. I advised with management all the way from foremen to superintendents as to what would be the proper attitudes, or replies, or statements that the foremen should be guided by in replying verbally to the propaganda being put out by the UE.

Mr. KENNEDY. You were giving them advice as to how they could handle it?

Mr. PATTERSON. That is right, sir.

Mr. KENNEDY. Did you also make some recommendations about setting up a vote "no" committee?

Mr. PATTERSON. If I may interject a moment, that thing which is presumed to be in my handwriting, I am very puzzled about it and I am trying to recall as to what the situation was there. If the handwriting has been identified by the FBI, I certainly would want to question it.

The CHAIRMAN. Let me present it to you and you pass your own judgment.

Mr. PATTERSON. I would like to see it very much. I may be able to recall.

The CHAIRMAN. I will present to you exhibit No. 16 and ask if you identify it.

(The document was handed to the witness.)

(The witness conferred with his counsel.)

Mr. PATTERSON. I will agree at the outset this is my writing.

The CHAIRMAN. You agree that it is your writing. All right.

Mr. PATTERSON. Nobody writes as badly or prints in this manner as I do.

The CHAIRMAN. All right.

(The witness conferred with his counsel.)

Mr. KENNEDY. What about it?

Mr. PATTERSON. What was your question regarding it?

The CHAIRMAN. Do you identify that?

Mr. PATTERSON. I brought this up because I was interested in seeing it.

The CHAIRMAN. I beg your pardon.

Mr. PATTERSON. I brought this up myself because I was quite interested in seeing it. I don't recall at this time, and I don't know. But it is certainly in my writing.

The CHAIRMAN. Since you read it, does that refresh your memory, that you did make such recommendations?

Mr. PATTERSON. Some of them I would have made.

The CHAIRMAN. How about No. 1? The first recommendation you made or notation you made was to set up a vote "no" committee.

Mr. PATTERSON. If I can identify the time period, this would have been at the time the UE was attempting organization of the plant. At that time, I believe I would recall something along that line; yes, sir. But as to what use I intended to make of these notes, I don't know.

The CHAIRMAN. Well, they were not necessarily for your information. Apparently they are instructions or guides for the company. Is that not correct?

You wouldn't have any personal interest in setting up a vote "no" committee, would you?

Mr. PATTERSON. Not a personal interest, but perhaps in behalf of the employees who didn't want a union I might; yes, sir.

The CHAIRMAN. You were not employed by the employees. You were employed by the employer.

Mr. PATTERSON. That is right, sir.

The CHAIRMAN. Is that correct?

Mr. PATTERSON. That is correct.

The CHAIRMAN. You were giving your advice to the employer, of course.

Mr. PATTERSON. Right, sir.

The CHAIRMAN. And advice to his employees as you felt it was in relation to your employment to the employer.

Mr. PATTERSON. I would say that was true; yes, sir.

The CHAIRMAN. All right. Proceed.

Mr. KENNEDY. What about in 1955? Did you also arrange to have a "vote no" committee set up at that time?

Mr. PATTERSON. In arranging to have a "vote no" committee set up, sir, any activities on my part in encouraging any sort of an employees' committee would have been, I believe, in the forepart of 1956.

Mr. KENNEDY. Did that happen in 1956?

Mr. PATTERSON. When sufficient employees wondered when they could do something in their own behalf and why the company wasn't really doing something, such as coming out with letters and retaliatory propaganda, printed stuff—I don't know the exact dates, though it may have been the latter part of 1955—I certainly encouraged formation of an employees' committee.

Mr. KENNEDY. Didn't you set up a "vote no" committee? Couldn't you answer that simply? Didn't you set up a "vote no" committee at the end of 1955 or 1956?

Mr. PATTERSON. I helped, sir; yes.

Mr. KENNEDY. Whom did you help?

You went and arranged through Mr. Audritsch to get the names and get these people established as a "vote no" committee, did you not?

Mr. PATTERSON. That was the eventual outcome of it; yes.

Mr. KENNEDY. I mean that is what you did, is it not?

Mr. PATTERSON. I supplied Mr. Audritsch with suggested names of people who might serve on a committee of the employees. The "vote no" title was my suggestion; yes.

Mr. KENNEDY. That was your suggestion?

Mr. PATTERSON. That is right.

Mr. KENNEDY. So you were in right from the incorporation of the "vote no" committee or the beginning of the "vote no" committee?

Mr. PATTERSON. As I recall——

Mr. KENNEDY. You supplied the names, and——

Mr. BERGER. Why don't you give him a chance to answer "Yes, sir"? May we have the question read back, Mr. Chairman?

The CHAIRMAN. Yes. Read the question.

May I suggest that if you did these things, go on and say "Yes." Don't fool around about it. I don't know that you did anything wrong. We are trying to get the facts as to what happened. If you suggested or set up a "vote no" committee and they set it up, just say so, and let's move along.

I don't know that there is anything so awfully bad about it. We are trying to get the pattern as to what goes on in these things. What management does to oppose unions and what unions do to organize plants, that is what we want. Let's move along. I don't know if there is anything wrong in it or not. We will pass judgment on that later.

Mr. KENNEDY. Let's start over again.

Mr. PATTERSON. All right. What was the question?

Mr. KENNEDY. It was through your efforts, therefore, that the vote "no" committee was set up?

Mr. PATTERSON. I believe so.

Mr. KENNEDY. And, after it was set up and started to operate, did you furnish it with material?

Mr. PATTERSON. I did, sir.

Mr. KENNEDY. And the function of the committee was to distribute this material?

Mr. PATTERSON. That is correct.

Mr. KENNEDY. And did you work this material out with the officials of the company? How was that arranged, as far as the company was concerned?

Mr. PATTERSON. Some of it I worked out myself, and some, as I recall, with Mr. Lou Audritsch.

Mr. KENNEDY. How were the arrangements made for the company to pay for the material that you and Mr. Audritsch worked out?

Mr. PATTERSON. Well, I believe Mr. Audritsch testified that the company paid for all the materials he printed and got out. I paid for the cartooning and the mimeographing of the other material myself.

The CHAIRMAN. Who paid the artist?

Mr. PATTERSON. Yes, sir.

The CHAIRMAN. Who paid the artist?

Mr. PATTERSON. I did.

The CHAIRMAN. Do you recognize this?

(The document was handed to the witness.)

Mr. PATTERSON. I believe I do.

The CHAIRMAN. I have presented to you exhibits Nos. 14-A, B, C, and D. Is that some of the literature that you originated or assisted in originating, some cartoons that you provided to the vote "no" committee?

Mr. PATTERSON. Yes, sir.

The CHAIRMAN. Thank you.

Mr. KENNEDY. So, the literature which has on it the vote "no" committee, that was the vote "no" committee that was established by you, as a representative of the company, and the literature was financed by the company during this period of time; is that right?

Mr. PATTERSON. One slight question on the committee being established by me. I assisted Mr. Audritsch in setting the committee up.

Mr. KENNEDY. All right. This committee that was set up by you and Mr. Audritsch distributed literature which said that it came from a vote "no" committee, while the fact was that it was financed by the company; is that right?

Mr. PATTERSON. The literature was distributed by the vote "no" committee but paid for by the company, ultimately, yes, as far as my knowledge of these things goes, these cartoons, because I billed the company for them.

Mr. KENNEDY. Whatever you did, whatever expenditures you made, you billed the company; is that right?

Mr. PATTERSON. Yes. As to how Mr. Audritsch was paid, I don't know.

Mr. KENNEDY. Mr. Audritsch has testified that he was paid by the company. I would like to ask you about some of these other expenditures that you were making. These are your daily reports. Do you recognize these?

The CHAIRMAN. I hand you here photostatic copies of a large number, I believe, numbered from 1 to 74, of pages titled "Daily Reports." Will you glance at those and see if those are photostatic copies of your daily reports?

(The documents were handed to the witness.)

(The witness conferred with his counsel.)

Mr. PATTERSON. If they are all in the same writing, I recognize them, sir.

The CHAIRMAN. You think those are correct?

Mr. PATTERSON. Without checking each one individually.

The CHAIRMAN. If any one is referred to individually, you may examine it specifically. Those daily reports may be made exhibit No. 17 for reference.

(The documents referred to were marked "Exhibit No. 17" for reference, and may be found in the files of the select committee.)

Mr. KENNEDY. Going to September of 1955, even before this committee was formed, I see on your reports, for instance, starting September 1, \$16 for entertainment, \$36 for materials and supplies.

Mr. PATTERSON. I am sorry, Mr. Kennedy. I picked up something that struck my eye here. Do you mind starting again, sir? I am sorry.

Mr. KENNEDY. Going back to September of 1955, regarding your expenditures—and I would like to ask you some questions about them, and this was, as I understand, even before the vote "No" committee was established—you have considerable amounts of money for entertainment, one column for entertainment and the other column for materials and supplies.

Looking down the figures here, I would think that the average entertainment, starting in September, is about \$20 a day, and the materials and supplies is about \$25 a day. That is in addition to your hotel, meals, telephones, transportation, and so forth.

Mr. PATTERSON. Would that be on a monthly-average basis, or just for the days I spent there?

Mr. KENNEDY. It says here September 1, you spent \$14 for entertainment, \$26.20 for materials and supplies. As I say, it goes down day to day. Could you give us any explanation? It seems to get higher as we move along.

Mr. PATTERSON. As I recall, it did, too. May I say, sir, this form entitled "Daily Report," I had been given to understand, is an accounting form for the purposes of billing the client. It does not reflect a sworn statement of the absoluteness of what each item carries here.

For instance, meals I generally approximate, and entertainment expenses, especially in the case of Whirlpool-Clyde, I may have more properly put in other columns, such as "Other expenses." Materials and supplies might have been a reflection of loans, reimbursement to people for personal expense. It may have been for printing.

Mr. KENNEDY. Whom were you making loans to?

Mr. PATTERSON. Let me say that I was trying to make a good fellow of myself.

The CHAIRMAN. You were what?

Mr. PATTERSON. I was trying to make, you might say, a good fellow of myself in order to win friends and influence people in the Clyde area.

The CHAIRMAN. You had a generous allowance for that purpose.

Mr. PATTERSON. I did, sir. My point is, gentlemen, that the items of supplies, materials, services might well be a reflection of the items I just stated, among, possibly, others. That is why I can't recall at the moment.

Mr. KENNEDY. Were you giving money out or loaning money? Was that part of the operation?

Mr. PATTERSON. Not loaning money. But certain people I did supply with money in order to compensate them or other people for expenses they claimed they had incurred.

The CHAIRMAN. In doing what?

Mr. PATTERSON. As a result of talking for the company, pointing out facts concerning unionization, what the company had to offer. In other words, propagandizing.

The CHAIRMAN. Actually, you were paying them for their services rather than for any expense they incurred; were you not?

Mr. PATTERSON. The intention was to reimburse them for expenses, sir.

The CHAIRMAN. It doesn't cost anything to talk.

Mr. PATTERSON. Thank you.

The CHAIRMAN. It might cost to get a large audience to hear you, to get on radio, television, or something. But it doesn't have any expense in connection with talking with people.

My thought is, and I am just trying to get any explanation you have, my thought is you paid them for propagandizing in favor of the company by talking and by contacting other employees, and so forth. Is that about right?

Mr. PATTERSON. Well, if that be the interpretation. I would much rather say that it was reimbursing them for personal expenses incurred while doing this in behalf of their own job and for the company.

The CHAIRMAN. I am a little at a loss to find out where any personal expense would come in. I don't understand. What did they do? What did they spend for?

Surely, if you reimbursed them you would have some idea.

Mr. PATTERSON. I know in my own personal expenses there were items of picking up the tab for dinners, buying drinks.

The CHAIRMAN. In fact, you got no statement from them of their expenses, did you?

Mr. PATTERSON. No, I didn't, sir.

The CHAIRMAN. You just paid them whatever they said they wanted or whatever you felt would help you make friends and influence people?

Mr. PATTERSON. On behalf of the company.

(At this point Senator Ervin returned to the hearing room.)

Senator CURTIS. Mr. Chairman?

The CHAIRMAN. Senator Curtis.

Senator CURTIS. Did you give any employees money either as pay or as gifts?

Mr. PATTERSON. By employee, sir—

Senator CURTIS. I mean employees of Whirlpool at Clyde. That is what we are talking about.

Mr. PATTERSON. I have; yes, sir.

Senator CURTIS. You gave some of them money?

Mr. PATTERSON. I gave moneys to people at Clyde, yes, who were employees of Whirlpool Corp.

Senator CURTIS. By a gift, you mean——

Mr. PATTERSON. I don't mean as a gift, sir, no.

Senator CURTIS. That is what I am asking you. I didn't ask you about reimbursement of expenses.

Mr. PATTERSON. Not as a gift; no, sir.

Senator CURTIS. I am asking you, did you give money to any employee, or did you pay them anything?

Mr. PATTERSON. It was for reimbursement of expenses, sir.

Senator CURTIS. Then your answer is no?

Mr. PATTERSON. My answer would be "no," then, under that situation, yes.

Senator CURTIS. That is the only situation I asked about, whether or not you had given anybody any money or paid them anything, speaking of the employees at Clyde. Your answer is no?

Mr. PATTERSON. The answer would be no, in that specific instance.

Mr. KENNEDY. What were you giving them the money for?

Mr. PATTERSON. For speaking in behalf of the company.

Senator CURTIS. You just told me that you didn't give them any money.

Mr. PATTERSON. As a gift or as payment for doing it?

Senator CURTIS. Either one. Now I understand that you did reimburse people for expenses.

Mr. PATTERSON. Yes, sir.

Senator CURTIS. Leaving that out, did you or did you not give them money or pay them?

Mr. PATTERSON. Not to my recollection, sir. I don't remember anything of that.

The CHAIRMAN. Let's go a little further now and see what you actually mean.

You say you gave it out as reimbursement. Do you mean that is the way you charged it? That is the way you treated it?

Mr. PATTERSON. Yes, sir.

The CHAIRMAN. But you don't know whether they spent a nickel of it or not?

Mr. PATTERSON. I would have no way of knowing; no, sir. I was hopeful that they were employed in that manner, though.

The CHAIRMAN. You were hopeful they would use it, anyway, in promoting the company's interest and in fighting against the union?

Mr. PATTERSON. Yes, sir.

The CHAIRMAN. That was the purpose of the expenditure?

Mr. PATTERSON. Yes, sir.

The CHAIRMAN. Thank you.

Mr. KENNEDY. What expenses would these people have?

Mr. PATTERSON. Do you mean generally?

Mr. KENNEDY. Well, for instance, the materials and supplies for this period of time is just under \$12,000, and entertainment is something over \$3,000. What was that money given to these people for, to reimburse them for doing what?

Mr. PATTERSON. I wish I could remember my statement to Senator McClellan. It would be for influencing opinions in favor of the company.

Mr. KENNEDY. You were paying them, then, for doing this work for the company, or influencing opinions for the company; is that right?

Mr. PATTERSON. Is that your interpretation of it?

The CHAIRMAN. That is what it amounted to. We could get through with this in a minute. That is what it amounted to, but you charged it on the books as materials and supplies.

Mr. PATTERSON. I get your impression. I would be inclined to agree with you there; yes, sir.

The CHAIRMAN. Thank you.

Mr. KENNEDY. You would send these bills in. The bills would be sent in to the Whirlpool-Clyde Co. and they would pay them every month; is that right?

Mr. PATTERSON. I have no knowledge of the billing or the receipt of payment.

Mr. KENNEDY. The record shows, Mr. Chairman, that these bills were furnished to the Whirlpool-Clyde Co. and were paid every month by the Whirlpool-Clyde Co. for the work of Mr. Patterson in Clyde, Ohio.

The CHAIRMAN. I don't think the company denies they ever paid these bills. You never had any complaint, did you, about getting reimbursed or not getting your fees?

Mr. PATTERSON. Nobody ever complained to me.

Mr. KENNEDY. Nobody complained about these disbursements?

Mr. PATTERSON. Not to my knowledge.

The CHAIRMAN. Were they made with the knowledge of the company?

Mr. PATTERSON. They certainly must have if they paid their bills.

The CHAIRMAN. They knew at the time, did they not, that you were making such disbursements? You were in consultation with them. You had to have some idea of what expense you could make and be reimbursed for.

Mr. PATTERSON. They never told me of any amounts I might spend, sir.

The CHAIRMAN. You were unlimited?

Mr. PATTERSON. I might assume that; yes, sir.

The CHAIRMAN. All right.

Senator CURTIS. Mr. Chairman.

The CHAIRMAN. Senator Curtis.

Senator CURTIS. Did you inform the company, the management, that you were paying their employees, and that you were making gifts to their employees, when it was not a case of reimbursing them for expenditures made?

Mr. PATTERSON. To the best of my knowledge, I don't believe I ever informed the company of what I was spending the money for, sir.

Senator CURTIS. I have tried to follow your answers. I still don't know whether or not you admit to having given moneys, making gifts and payments to employees of Whirlpool.

You answered to me that you did not. Later on I had some doubt about it. Did you ever inform the management that you were paying their employees?

Mr. PATTERSON. I do not believe so, sir; no.

Senator McNAMARA. Mr. Chairman?

The CHAIRMAN. Senator McNamara.

Senator McNAMARA. I would like to ask this question: You were acting as an agent for the company in these activities, were you not?

Mr. PATTERSON. Yes, sir.

Senator McNAMARA. You were acting for the Whirlpool Co.?

Mr. PATTERSON. I believe so; yes.

Senator McNAMARA. That is all.

Mr. KENNEDY. And the Whirlpool Co. never complained to you about the amount of money that you were spending every month, did they?

Mr. PATTERSON. Never, sir.

Mr. KENNEDY. Did they seem satisfied with the results that you were achieving during this period of time?

Mr. PATTERSON. I believe they did.

Mr. KENNEDY. They never complained about it?

Mr. PATTERSON. No; they didn't, sir.

Mr. KENNEDY. We have gone through Whirlpool-Marion and Whirlpool-Clyde, Ohio. Do you know what other divisions of Whirlpool retained Mr. Nathan Shefferman and his LRA to perform these duties for them?

Mr. PATTERSON. The only one I know of where any of our staff was is the St. Joseph plant.

Mr. KENNEDY. Where?

Mr. PATTERSON. St. Joseph, Mich.; that plant.

Mr. KENNEDY. Mr. Chairman, we have figured out from the 3 plants of Whirlpool, St. Joseph, Clyde, and Marion, for the 3-year period, Whirlpool Co. paid to LRA \$136,899.33.

The CHAIRMAN. Are those figures accurate? Do you have any information about them?

Mr. PATTERSON. I don't have any information whatsoever about the figures.

Mr. KENNEDY. These were obtained from the records.

The CHAIRMAN. It is proper to ask you if you have any information. That is our information, that that money was spent in those three plants hiring LRA. You have no knowledge of it?

Mr. PATTERSON. No, sir.

The CHAIRMAN. Except that you know a lot was spent for your work?

Mr. PATTERSON. Yes, and I never computed the amounts until Mr. Salinger asked me the questions when he first talked with me, some time this past year.

The CHAIRMAN. We can substantiate this later, but it is perfectly proper, since we have this information, to ask you what you know about it. But all you know is what you got out of it and what you disbursed?

Mr. PATTERSON. I am here to help.

Senator CURTIS. Mr. Patterson, who was your employer during the time that you were rendering services to Whirlpool?

Mr. PATTERSON. The head of our firm is Mr. Nathan W. Shefferman.

Senator CURTIS. From whom did you get your directions and instructions?

Mr. PATTERSON. While at Clyde, sir?

Senator CURTIS. Yes.

Mr. PATTERSON. As I recall the situation there, and this is quite indefinite, I was told, I don't remember exactly when, by the Whirlpool management at Clyde that they did not care for some of the suggestions of Mr. Shefferman, and that they would appreciate it if I could work with them more or less on my own. Mr. Shefferman has given me instructions on the other cases, though not always. I check with him. But on this one matter of Clyde he gave me very few suggestions or recommendations, sir.

Senator CURTIS. Are you saying that Mr. Shefferman gave you a free rein to do what you thought ought to be done?

Mr. PATTERSON. He told me as much; yes.

Senator CURTIS. But who were you responsible to? Who was your boss?

Mr. PATTERSON. My boss? Mr. Nathan W. Shefferman.

Senator CURTIS. And you were responsible to him?

Mr. PATTERSON. Yes.

Senator McNAMARA. Mr. Chairman?

The CHAIRMAN. Senator McNamara. I have one question, if I may.

Senator McNAMARA. Yes, sir.

The CHAIRMAN. While Mr. Shefferman was your employer, your boss, insofar as this work at Whirlpool-Clyde, your boss was really the company officials of Whirlpool, were they not? In other words, you were not going to do anything without their permission or their authority, were you?

Mr. PATTERSON. Possibly there were some things that I thought would be in their interest that maybe they didn't agree on, and maybe I did them anyway.

The CHAIRMAN. They told you not to do it, you wouldn't do it even though Mr. Shefferman told you to, would you?

You wouldn't last long in my employ and I doubt if you would in that company. In other words, it is true that Mr. Shefferman was your employer, but when you were assigned to a job, while you may be initiating many suggestions, changes in policy and so forth, that is what you were employed to do, actually you worked under their direction. If they said "Now, we don't want you to go that far. We don't want you to go out here and pay money for employees, to get them to propagandize," you wouldn't have done it, would you?

Mr. PATTERSON. I doubt very much if I would have done it.

The CHAIRMAN. Even if Mr. Shefferman had told you to do so, because you wouldn't have been reimbursed.

Mr. PATTERSON. Correct.

The CHAIRMAN. All right.

Senator McNAMARA. That takes care of my question, Mr. Chairman.

Mr. KENNEDY. Were you aware of the fact that what you were doing up there was a violation of the Taft-Hartley Act?

Mr. PATTERSON. I was not, sir.

Mr. KENNEDY. You were not?

Mr. PATTERSON. No.

Mr. KENNEDY. You are not familiar with the Taft-Hartley Act?

Mr. PATTERSON. I am to a fair extent.

Mr. KENNEDY. But you hadn't read it, or for what reason—

Mr. PATTERSON. I have read it.

Mr. KENNEDY. Looking back at your activities now, do you realize you were in violation of the Taft-Hartley Act?

Mr. PATTERSON. From Mr. Bachman's statements this morning, I was not aware that he had so informed our firm, that such activities as rotating suggestion groups or vote "no" committees were, in his mind, illegal.

Mr. KENNEDY. The establishment of vote "no" committees, you never knew that that was illegal when established by a company?

Mr. PATTERSON. I don't believe so.

Mr. KENNEDY. You do not?

Mr. PATTERSON. No.

Mr. KENNEDY. Were you on the mediation board in Michigan prior to going with Mr. Shefferman?

Mr. PATTERSON. Yes, I was.

Mr. KENNEDY. What year?

Mr. PATTERSON. Beginning with January 1, 1951, I believe, until I came with Mr. Shefferman.

Mr. KENNEDY. 19 what?

Mr. PATTERSON. January 1, 1951. Approximately 9 years or so.

Mr. BERGER. May I say I think the witness meant 1941.

Mr. PATTERSON. I beg your pardon. 1941, yes. Thank you.

Mr. KENNEDY. And up until the time you came with Mr. Shefferman?

Mr. PATTERSON. Yes, sir.

Mr. KENNEDY. I think you were executive secretary to the labor mediation board, from January 1, 1942, to November 1942, and then a mediator up to 1952?

Mr. PATTERSON. That would appear to be correct.

Mr. KENNEDY. That is all.

The CHAIRMAN. That is all. Thank you very much.

The Chair will announce that we will recess until 10:30 tomorrow morning. We hope to conclude tomorrow, not conclude this series of hearings, but conclude tomorrow's work by 12:30 and not later than 1 o'clock. Then we will recess for the weekend.

The committee stands adjourned.

(Whereupon, at 4:45 p. m., the committee was recessed, to reconvene at 10:30 a. m., Friday, October 25, 1957.)

(Committee members present at time of recess: Senators McClellan, McNamara, Ervin, and Curtis.)

INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

FRIDAY, OCTOBER 25, 1957

UNITED STATES SENATE.
SELECT COMMITTEE ON IMPROPER ACTIVITIES
IN THE LABOR OR MANAGEMENT FIELD,
Washington, D. C.

The select committee met at 10:30 a. m., pursuant to Senate Resolution 74, agreed to January 30, 1957, in the caucus room, Senate Office Building, Senator John L. McClellan (chairman of the select committee) presiding.

Present: Senator John L. McClellan, Democrat, Arkansas; Senator Irving M. Ives, Republican, New York; Senator Sam J. Ervin, Democrat, North Carolina; Senator Pat McNamara, Democrat, Michigan; Senator Carl T. Curtis, Republican, Nebraska.

Also present: Robert F. Kennedy, chief counsel; Pierre E. G. Salingier, investigator; Walter Sheridan, investigator; Ruth Young Watt, chief clerk.

The CHAIRMAN. The committee will be in order.

(Members of the select committee present at the convening of the session were Senators McClellan, Ives, and Curtis.)

The CHAIRMAN. We will proceed.

Mr. KENNEDY. The first witness is Mr. Tudor, Mr. Chairman.

The CHAIRMAN. Mr. Tudor, will you come around, please.

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. TUDOR. I do.

TESTIMONY OF WALLACE TUDOR, ACCOMPANIED BY HIS COUNSEL, ARTHUR M. WOOD

The CHAIRMAN. Will you please state your name, your place of residence, and your business or occupation.

Mr. TUDOR. My name is Wallace Tudor. I reside at 238 Forest, Oak Park, Ill., and I am vice president in charge of personnel and employee relations with Sears, Roebuck & Co.

The CHAIRMAN. Do you have counsel with you?

Mr. TUDOR. I do have.

The CHAIRMAN. Will you identify yourself for the record. Mr. Counsel?

Mr. WOOD. I am Arthur M. Wood, general attorney and vice president and secretary of Sears, Roebuck & Co.

The CHAIRMAN. Thank you very much.

Mr. Tudor, you have a prepared statement, I believe?

Mr. Tudor. I do, sir.

The CHAIRMAN. Counsel, this statement was submitted to the committee within the provisions of the rules of the committee.

Mr. KENNEDY. Yes, it was, Mr. Chairman.

The CHAIRMAN. You wish to read your prepared statement in full?

Mr. Tudor. I do, Mr. Chairman.

The CHAIRMAN. All right, sir, you may proceed.

Mr. Tudor. My name is Wallace Tudor. I have been employed by Sears, Roebuck & Co. since 1936 and have been a member of our personnel staff of that company since 1941.

In May 1954, I was appointed director of personnel and in May 1956, I was elected vice president for personnel and employee relations.

I want to thank the committee for the opportunity to make this statement relative to Sears, Roebuck.

I will comment concerning its policies, its programs, and the importance to the welfare of our employees and their families. In addition, I will review our past relationship with Mr. Nathan Shefferman and Labor Relations Associates, our policy and attitude in dealing with union activities, and I will also comment on the handling of an organizing campaign in Boston, which we understand is one of the specific interests of your inquiry.

The CHAIRMAN. May I interrupt you to say that I believe you requested to appear before the committee in the very beginning, or at the outset of our inquiry into this particular aspect of our investigation.

Mr. Tudor. That is correct, Mr. Chairman.

The CHAIRMAN. As I remember it, I think counsel just told me you asked to appear as the first witness.

Mr. Tudor. That is correct.

Mr. KENNEDY. I might say that we might not be able to have all of the questions until the evidence is in, so that Mr. Tudor might be requested to appear again at a later time, but he wanted to appear now.

The CHAIRMAN. I thought this was a little out of order of our regular arrangement, but we are very glad to defer to your wishes.

Mr. Tudor. As this committee doubtless is aware, Sears, Roebuck is one of the Nation's largest employers. We have nearly 2,000 operating units located in every State of the Union, and we employ a total of 205,000 men and women.

We are very proud of our employee relations program. Sears has been a pioneer in this field and our program is in many ways unique in American business. Since the early days of this century, the welfare of our employees has been a major concern of Sears management. Sears employees have long received wages, benefits, working conditions and opportunities for advancement which are substantially above average in the retail field. Under this program both Sears employees and the company have fared exceedingly well.

Nationally, Sears employees are paid well above the average for the retail industry. The United States Bureau of Labor Statistics reports the 1956 national average rate of pay of retail employees as \$1.57 an hour.

In the same year, the average Sears hourly rated employee was paid \$1.93 an hour, or 23 percent above the national figure.

Sears rates are not only substantially higher than the retail industry generally, but compare favorably with manufacturing, as is evident from a table that will be found at the end of my statement. It will also be noted that since 1939, average hourly earnings of Sears employees have increased substantially faster than the cost of living.

These are general averages. Let us look at a specific case—Boston, Mass. The Prince School of Retailing conducts a continuing, detailed study comparing rates of pay, job by job, for the largest retail establishments in Boston. This material is available should the committee wish to examine it in detail. Some of the highlights, however, are interesting.

In practically every job category, according to the Prince School study, Sears minimum and maximum rates are substantially above those of competing stores. In many cases, the minimum of the Sears range is higher than the midpoint of the competitor's scale.

Comparisons in other cities would show similar results. This is no accident, but a result of our long-established policy of keeping our wage rates well in line with local competitive conditions.

As this committee knows, the Federal wage-hour law does not apply to the retail industry. For many years, however, Sears has voluntarily adopted the 5-day, 40-hour week with time and one-half for overtime. The company also voluntarily observes the minimum wage requirements of that act.

This is not done as a result of pressure. Neither is it done in any spirit of philanthropy. We compete for workers not only with other retailers but with many industries subject to the Fair Labor Standards Act and we simply consider it good business to keep our rates competitive. We do not want substandard employees, so we take care not to pay substandard wages.

In addition to our basic high-wage policy, our company has been a pioneer in the development of employee benefit programs. We are proud that Sears took the initiative in employee benefit plans, not as a result of union pressure or legal requirements, but long before such plans were seriously advanced by either organized labor or Government.

If I may, our profit sharing was established, as a matter of fact, 20 years before our Government gave serious consideration to the establishment of our current social security program.

These benefits provide many protections and advantages designed to strengthen the security and well-being of employees and their families both in the present and the future. Most of these benefits have been in effect for many years, with constant improvements as times have changed. Something of the growth of this program is indicated by the following:

	<i>First established in—</i>
<i>Illness allowance</i>	1902
<i>Employee discounts</i>	1907
<i>Paid vacations</i>	1907
<i>Profit sharing</i>	1916
<i>Military service benefits</i>	1917
<i>Group life insurance</i>	1931
<i>Paid holidays</i>	1932
<i>Severance pay</i>	1933
<i>Group hospitalization</i>	1939
<i>Supplemental retirement benefits</i>	1944
<i>Catastrophic medical insurance</i>	1952

The cost of these benefits exceeded \$90 million in 1956. This compares with \$74 million paid out to stockholders of the company in the form of dividends. About \$19 million of this \$74 million dividend disbursement went to employees who, through the company's profit sharing plan, own about 26 percent of all outstanding company stock.

Our employees earned about an additional 7 percent of the stock through private ownership. In other words, our employees own one-third of our company.

All employees are eligible to participate in the Sears profit sharing plan after 1 year of service. While participation is strictly voluntary, over 99 percent of all eligible employees belong to the plan. Members deposit 5 percent of their earnings up to a maximum individual deposit of \$500 per year.

The purpose of this limitation is to insure that the plan primarily benefits our employees, not our executives. In addition to the deposits of members, the company contributes up to 10 percent, according to an established sliding scale, of its net profits before dividends and Federal taxes.

The company's contribution is credited to the accounts of members in accordance with the amount of their own deposits and their length of service.

Over the years, the fund has grown substantially. In round numbers, between 1916 and 1956, the company contributed \$393 million from its profits and employees deposited \$242 million from their earnings. Although employees withdrew nearly a half-billion during these years, the fund currently has assets of almost three-quarters of a billion dollars. In the net, this represents about a billion dollar "profit" for our employees.

The significance of the plan to employees is best shown, not by overall figures such as these, but by actual examples of typical employee experiences. One young woman, for instance, left to be married after 9 years in the fund. During these years, she herself had deposited \$1,120 in profit sharing, but she withdrew \$4,025, representing her share in company profits and in the earnings of the fund.

Another employee, this one a man who had deposited \$2,402 over a 16-year period, withdrew \$17,300. A woman who had been a member of the fund for 25 years deposited \$3,450 and withdrew \$47,125.

A man who had made a lifetime career with Sears and who was a member of profit sharing since its inception deposited \$4,820. When he retired, his share of the fund was valued at \$174,980.

These cases are typical. It has been by no means unusual for employees who have retired in recent years and who have been in the fund since the beginning to withdraw on leaving more than they have earned in wages during their entire working lives.

As a matter of fact, there is a gentleman with me here in Washington today whose secretary has been in the fund for many, many years and her account is worth over \$100,000. Mine is worth only \$50,000. I have only been around a few years. I am a junior compared with the others. Unquestionably, the profit-sharing plan has had a favorable influence on the attitudes of Sears employees. It is the most talked about of all company policies.

The plan is explained to new employees as part of the regular induction procedure and its current operations are reviewed once a year with all members at the time they receive annual statements as to their personal holdings in the fund.

But the plan does not need to be "sold." The employees take care of that themselves—much more enthusiastically than would be appropriate for management, and much more effectively than would be possible by management.

These voluntarily established employee benefits, including profit sharing, provide advantages which greatly exceed those provided by any union agreement of which we have knowledge. In some cases, a single benefit provision in a union contract may provide more than the comparable Sears benefit, but the total Sears benefit program is in a class by itself.

Most Sears employees apparently believe that unions would bring them no advantages above and beyond those already provided by longstanding company policy. They observe that Sears employees are better off than employees of competitors, whether organized or not. They also observe that unorganized Sears employees fare no better and no worse than those who are organized, and that this is true of wages, hours, employee benefits, and all other conditions of employment.

Experience has shown them that no leader of a union could have as great and as personal concern for their well-being and progress as the Sears Co. itself.

However, we at Sears recognize that the final decision on whether or not employees are to be represented by a union rests with the employees themselves. Whenever an effort is made to organize any group of Sears employees, or whenever a group of our employees may spontaneously develop an interest in unionization, our policy is for our local management to go directly to the employees and state the facts and the pros and cons of unionization, as authorized by the Taft-Hartley Act.

Management states its belief that employees have nothing to gain from a union, but we stress that the ultimate choice rightfully rests with the employees. Our only insistence is that there must be a National Labor Relations Board election before we will recognize a union as representing any of our employees.

Where our employees have been organized, we make every effort to maintain good, business-like relations with designated union officials. We have our share of disagreements and I think we are pretty tough bargainers. But these officials are pretty tough bargainers themselves, and I think there is a high level of mutual respect between representatives of the company and the unions involved.

I want to establish one important fact at this time: Sears has never negotiated any "sweetheart" agreements with any labor leader contrary to the interests of Sears employees. The record should show this clearly.

Now, Mr. Chairman, in our relations with the unions, we have made some errors. Certain actions were taken on our behalf which were mistakes, which never should have happened and which will never be permitted to happen again. We will explain that which is explainable, defend that which is defensible, and freely admit that which is neither.

At the same time, without in any way minimizing or glossing over any mistakes which have been made, we hope that the committee will keep these errors in their proper relationship to our broad employee relations program, and achievements. In brief, we hope the committee will recognize that these mistakes were exceptions to our usual methods of dealing with labor-relations problems—glaring exceptions, perhaps, but isolated, infrequent, and nontypical of Sears, nevertheless.

I turn now to our past relationship with Mr. Nathan Shefferman and Labor Relations Associates.

Mr. Shefferman was employed by Sears on union relations work from 1935 to 1948 when he was retired in accordance with the company's regular retirement policy. At the time of his initial employment and during the early years of his association with the company, many unions were engaged in large-scale organizing drives under the encouragement of the National Industrial Recovery Act and subsequently of the Wagner Act.

These drives presented problems with which our company had no previous experience. Legislation on the books at that time was heavily weighted in favor of the unions and provided little protection for management or, for that matter, rank-and-file employees. Mr. Shefferman was experienced in union relations work and had been a member of a labor board under NRA.

It should be made clear that Mr. Shefferman was never an officer of the company and that his work at Sears was confined wholly to dealings with organized labor. He was in no way connected with the company's broad personnel and employee relations program. In 1939 Mr. Shefferman formed an independent, outside organization, known as Labor Relations Associates to enable him to service clients other than Sears. Since that time, LRA has performed some work for Sears, but it is my impression that most of its work has been on behalf of other clients.

As previously noted, Mr. Shefferman retired from direct employment with Sears in 1948. At that time, Mr. C. B. Caldwell was director of personnel for the company, later vice president. Union-relations activities had only recently been transferred into the personnel department, and Mr. Caldwell had no direct experience in such matters. He, therefore, decided to retain Mr. Shefferman on a consulting basis after his retirement.

Mr. Caldwell apparently believed it was important that Mr. Shefferman keep informed of developments in the union field. Therefore, both during Mr. Shefferman's direct employment by Sears and while he was a consultant, he billed Sears for trips to union conventions and for entertainment of union leaders. He often addressed and wrote articles for both management and union groups, urging better mutual understanding.

Similarly, over a period of years when Mr. Shefferman was an employee and a consultant, he was permitted, like many other employees, to obtain merchandise at wholesale prices. Mr. Shefferman availed himself of this opportunity to obtain merchandise for his friends in the unions. The company discontinued this privilege in 1955 because it was considered to be improper.

At the time of Mr. Shefferman's retirement in 1948, the company was completing an administrative decentralization of its nationwide operations. Five major regions were established, and each was placed under the direction of a territorial vice president, aided by executives in charge of major management functions. Among these was the union-relations function which, as each territory was created, was incorporated with personnel and employee relations.

The men handling union matters under this new pattern of organization were of varying degrees of skill and experience. Apparently, Mr. Caldwell felt it would be desirable to keep Mr. Shefferman available in case his services were needed until such time as our own staff was fully trained.

Actually, Mr. Shefferman's services were seldom utilized in connection with specific union problems. During the next 5 years, concluding in 1953, he or members of his LRA staff handled contract negotiations for us in only 3 cities.

These negotiations involved 3 agreements with the teamsters and 1 agreement with the AFL electrical workers. As against these 4, the company during these years had an average of about 200 agreements in force throughout the organization, all of which, with the exceptions noted, were handled exclusively by members of our own staff. Since 1953, Sears has not utilized Mr. Shefferman or LRA in connection with any contract negotiations.

With regard to union organizing efforts, we have complete records back only to 1953. During the 5-year period, 1953 to 1957, inclusive, a total of 187 separate efforts were made to organize Sears units in various parts of the country. Each of these problems required time and effort on the part of management.

However, Labor Relations Associates worked on only 11 of these 187 problems. Two of these involved a total of only 3 days' consulting service by an attorney. The last organizing campaign at a Sears unit in which LRA rendered services took place in 1955.

Your committee has shown interest in certain cases where Labor Relations Associates was called in to assist the local Sears manager in handling a union organizing campaign. One of these situations involved a campaign by the retail clerks union in Boston in 1953, when it was decided to call LRA into the case. In my view, this was a wrong decision because it meant that persons with no managerial responsibility were handling Sears labor operations in this area.

The handling of the Boston situation involved a series of mistakes highlighted by widespread use of pressure and coercion, discrimination against employees for union activities, favoritism, intrigue, and unfair labor practices.

I want to state, with the utmost candor and conviction, that many of the activities engaged in by Labor Relations Associates and certain company personnel acting with them were inexcusable, unnecessary, and disgraceful. A repetition of these mistakes will not be tolerated by this company.

The fact that our employees were at that time and are now receiving wages and benefits far in excess of employees in competing Boston concerns, whether organized or not, in no way justifies what took place.

At the same time, I think it fair to remind this committee that Boston and other scattered LRA excesses were isolated episodes, contrary in principle and practice to the employee-relations program of Sears, of which we are justly proud.

I replaced Mr. Caldwell as vice president in charge of personnel and employee relations on April 30, 1956. While I had worked with Mr. Caldwell for 15 years, I had confined my efforts to management placement policy and administration, and had taken no part in our company relations with labor unions.

After succeeding Mr. Caldwell, I continued Mr. Shefferman on retainer. However, at no time did I consult with him or use his services. The fact that I did not make use of his services—coupled with his testimony before this committee earlier this year, and my subsequent review of his activities—caused me to completely sever relationship with Mr. Shefferman and Labor Relations Associates.

The CHAIRMAN. When? When was that severed?

Mr. TUDOR. It was severed the day of the all-star game in Chicago. I can't give you the date—

The CHAIRMAN. They have one of those each year. What year?

Mr. TUDOR. This past year, 1956—1957, rather. I think it might have been in September. Whenever the all-star game was; August.

The CHAIRMAN. Baseball?

Mr. TUDOR. No, the all-star game is a football game, Senator.

The CHAIRMAN. I thought we had an all-star baseball game, too.

Mr. TUDOR. I would rather not talk about that fiasco.

The CHAIRMAN. All right; I was just trying to establish the time.

Mr. KENNEDY. Is there any connection between the all-star game and the severance of his services?

Mr. TUDOR. Only that I remember that I talked with Mr. Shefferman and then went to the all-star game. All right? I am sorry; I don't have that date in my mind, really. I am not a follower of football.

The CHAIRMAN. All right; proceed.

Mr. TUDOR. Our concern for our employees is real. It does not stop with high wages and substantial supplemental benefits. The company goes to great lengths to insure the maintenance of cordial, mutually friendly relations between management and employees. Executives are evaluated not only in terms of their technical performance but in terms of their employee-relations performance as well.

To this end, Sears for many years has regularly conducted organization surveys to assess the employee-relations performance of the company. The purpose of these surveys is not to check up on employees but, rather, on our own performance in each company unit. Survey results are used for the further training and guidance of executives, to enable them to do a better job in dealing with people.

The survey program not only provides higher management with current information on this important phase of company performance, but the very existence of the program is a constant reminder to the entire organization that the company places great value on good employee relations.

Another illustration of our genuine interest in employees is our policy of promotion from within. A substantial majority of our

executive personnel entered the company not as college trainees but as stockmen, clerical workers, salesmen, and other ground-floor jobs.

Advancement in our company is made possible by planned expansion programs which open up thousands of new jobs annually, at all levels. About 2,500 executive jobs, in addition to 20,000 nonexecutive jobs, have been created since 1951 by our expansion program.

Our mandatory retirement policy also assures the upward flow of young and able people to keep our company healthy and to provide opportunity for rank-and-file employees who demonstrate their executive ability.

I might say that I am a product of that policy of promotion from within. I started with Sears as a salesman at \$16 a week in 1936. I am very grateful to have entered a company that made such opportunity possible.

Some may wonder why Sears gives so much attention to employee earnings, benefits, security, and advancement. As I have indicated, it is not because of legal requirements or union pressure. Nor is it primarily because our policies are the fair and decent thing to do—although they are fair and decent. Our employee-relations policies are based squarely on the belief that good employee relations are good business for Sears.

High wages and liberal employee benefits help attract and hold the capable people we need to carry on our work. Fair treatment and sound leadership help build the kind of morale that contributes to high company performance. You don't get and keep good employees by accident. Competence and high morale are not a matter of chance. They have to be worked for.

This is the objective of the employee-relations program at Sears. On the whole, we believe that we have achieved this objective to an unusual degree, although we readily acknowledge that serious mistakes have sometimes occurred.

We hope that these isolated errors will not prevent this committee from recognizing the significant achievements that have taken place at Sears in building and maintaining one of the outstanding employee teams in the country.

The CHAIRMAN. I notice you have an attachment to your statement. You have an appendix attached. Do you wish that to be made a part of your statement?

Mr. TUDOR. Yes, sir; I would like that to be done, Mr. Chairman.

The CHAIRMAN. The appendix may be printed in the record at this point.

(At this point Senator Ervin entered the hearing room.)

(The appendix is as follows:)

Average hourly earnings in Sears, Roebuck & Co. retail establishments, comprised to national retail average, national manufacturing average, and cost-of-living index

Year	Sears retail	National retail	National manufacturing	Cost of living (1947-49=100)
1939	\$0.52	\$0.54	\$0.63	69.4
1940	.59	.55	.66	59.9
1941	.70	.58	.73	62.9
1942	(1)	.63	.85	69.7
1943	(1)	.68	.96	74.0
1944	(1)	.73	1.02	75.2
1945	.94	.78	1.02	76.9
1946	1.14	.89	1.09	83.4
1947	1.21	1.01	1.24	95.5
1948	1.27	1.09	1.35	102.8
1949	1.26	1.14	1.40	101.8
1950	² 1.40	1.18	1.47	102.8
1951	1.52	1.26	1.59	111.0
1952	1.61	1.32	1.67	113.5
1953	1.67	1.40	1.77	114.4
1954	1.71	1.45	1.81	114.8
1955	1.81	1.50	1.88	114.5
1956	1.93	1.57	1.98	116.2
Percent increase since—				
1939-41	219.2	180.4	195.5	91.4
1947-49	55.0	45.4	48.9	16.2
1955	6.6	4.7	5.3	1.5

¹ Not available.

² Estimate.

Source: Retail compensation report, Bureau of Labor Statistics employment and earnings series, and Consumer Price Index published in Monthly Labor Review.

The CHAIRMAN. I notice that you have some 2,000 operating units, employing some 205,000 people. How many of those units are now unionized?

Mr. TUDOR. Senator, as I said in my statement, we have some 200 agreements. However, that does not mean that we have 200 operating units that are organized, because in some stores or warehouses we might have as many as 2 or 3 or 4.

The CHAIRMAN. Do you mean contracts?

Mr. TUDOR. Yes.

The CHAIRMAN. In one unit?

Mr. TUDOR. That is correct.

The CHAIRMAN. You have 200 labor contracts in existence, in round numbers?

Mr. TUDOR. Two hundred; that is correct.

The CHAIRMAN. But that does not mean that 200 of the 2,000 units are organized?

Mr. TUDOR. It does not.

The CHAIRMAN. Can you tell us how many units are organized? How many of the units which you have here?

Mr. TUDOR. May I confer with my counsel for that information? I think it is available.

The CHAIRMAN. Just approximately. It does not have to be exact. (The witness conferred with his counsel.)

Mr. TUDOR. One hundred and three units to be exact, according to the information that has been handed to me.

The CHAIRMAN. One hundred and three units out of the 2,000 units are organized?

Mr. TUDOR. That is correct.

The CHAIRMAN. Can you give us some approximate number of employees that are in those units, the organized units?

Mr. TUDOR. I think I can give you almost accurately.

The CHAIRMAN. All right, let us have that.

Mr. TUDOR. The number of employees involved is approximately 14,000.

The CHAIRMAN. How many?

Mr. TUDOR. Fourteen thousand or approximately 7 percent of our total employment which, according to the figures, is about the national average for retailing.

The CHAIRMAN. Just a little over 5 percent of the units?

Mr. TUDOR. That is correct, Senator.

The CHAIRMAN. I thought we needed that on the record to get a clearer picture of it.

Mr. TUDOR. Yes.

The CHAIRMAN. Are there any questions by Senators? If not, proceed, Mr. Kennedy.

Mr. KENNEDY. Mr. Chairman, I think it would probably be better after we put some other facts into the record at a later time that the committee would like to talk to Mr. Tudor again. I would rather save the questions until the facts are developed.

Mr. TUDOR. Thank you, Mr. Kennedy.

The CHAIRMAN. Thank you very much. You will be available. I do not think we can hear you further today but at some later date, possibly next week, sometime.

Counsel, indicate as soon as you can when you would like to have him back.

Mr. KENNEDY. You do not have the figures, I expect, Mr. Tudor, of how much money you have paid to Mr. Shefferman or to Labor Relations Associates? Do you have those figures?

Mr. TUDOR. No. I do not have that. It is my understanding that those records were turned over to your investigators.

Mr. KENNEDY. If you had them, we would put them in through you. Otherwise, we have some of the things. Thank you.

The CHAIRMAN. Thank you very much.

Call the next witness.

Mr. KENNEDY. On that particular question, I would like to call a member of the staff, Mr. Chairman. Mr. Carl Schultz.

(Present at this point were Senators McClellan, Ervin, and Curtis.)

The CHAIRMAN. Will you be sworn, please?

You do solemnly swear the evidence you shall give before this Senate Select Committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. SCHULTZ. I do.

TESTIMONY OF CARL M. SCHULTZ

The CHAIRMAN. State your name, your place of residence and your business or occupation, please.

Mr. SCHULTZ. My name is Carl M. Schultz. I reside in Chicago, Ill. I am employed by the United States General Accounting Office. Since the first of the year, approximately, I have been on loan to the committee.

The CHAIRMAN. Are you a certified public accountant?

Mr. SCHULTZ. I am not, sir.

The CHAIRMAN. How long have you been with the General Accounting Office?

Mr. SCHULTZ. I have been with the General Accounting Office for a period of 12 years.

The CHAIRMAN. In what capacity?

Mr. SCHULTZ. I have been employed in the capacity of an investigator.

The CHAIRMAN. Do you have accounting experience?

Mr. SCHULTZ. Yes, sir; I do have.

The CHAIRMAN. I understand you have been very helpful to the committee. You have been on loan, I believe, from the General Accounting Office to the committee.

Mr. SCHULTZ. It has been a pleasure to be with you.

The CHAIRMAN. I understand your work has been very fine and helpful. We wish to thank you.

You may proceed, Mr. Counsel.

Mr. KENNEDY. Mr. Schultz, have you made a study of the records off Labor Relations Associates to determine how much money they received, and Mr. Shefferman received, from Sears, Roebuck Co.?

Mr. SCHULTZ. I did, sir.

Mr. KENNEDY. And what stores of the Sears, Roebuck chain are involved?

Mr. SCHULTZ. I did.

Mr. KENNEDY. Could you tell us what you have found? I understand the only records you have been able to study are the records from 1953 through 1956; is that right?

Mr. SCHULTZ. It is, and for this purpose we obtained photostatic copies of the original invoices from the Sears, Roebuck Co.

Mr. KENNEDY. And you made a study of all of those invoices?

Mr. SCHULTZ. We have; yes, sir.

Mr. KENNEDY. Would you tell the committee what you have found, first, what stores are involved, and then break it down as to how the payments were made?

Mr. SCHULTZ. I will, sir. The stores involved were Atlanta, Ga.; Boston, Mass.; Buffalo, N. Y.; Casper, Wyo.; Dallas, Tex.; Indianapolis, Ind.; New York, N. Y.; Oklahoma City, Okla.; Clarksburg, W. Va. Philadelphia, Pa.; Saginaw, Mich.; Trenton, N. J.; Wilmington, Del.; Chicago, Ill.; St. Louis, Mo.

Those represent the stores, sir.

Mr. KENNEDY. In addition to that, however, there were services performed for the overall Sears organization which LRA terms "the parent."

The CHAIRMAN. Do I understand from that, that at all of these stores, the Shefferman firm or Labor Relations Associates, were employed and were paid from those units for services rendered?

Mr. SCHULTZ. I would have to say this: The manner in which they were paid was on the basis of fees and disbursements which they charged against that particular store.

The CHAIRMAN. You mean the parent company made these charges against these units?

Mr. SCHULTZ. Labor Relations submitted invoices to Sears, Roebuck for either services or disbursements that they made in connection with the stores.

What might take place in some instances is that they might have had a fee only. Again, in other instances, if expenditures were made in connection with some activity at that store, they then would charge those disbursements, and they would take the form of telephone calls, or other incidental items as such.

The CHAIRMAN. Now, are those services associated with labor relations in each instance?

Mr. SCHULTZ. Yes; they are, and together, of course, with Mr. Shefferman himself, who had a separate contract in addition to the activities of the Labor Relations Associates.

The CHAIRMAN. I was just trying to get the picture of it.

Mr. KENNEDY. Now, do you have the total figure for each year, from 1953 through 1956?

Mr. SCHULTZ. Yes; we do, sir. That total—

Mr. KENNEDY. Just give us first, 1953.

Mr. SCHULTZ. 1953, the figure there was \$38,441.73 in fees.

The CHAIRMAN. What is that figure?

Mr. SCHULTZ. \$38,441.73 for fees, and \$59,319.90 in disbursements.

Mr. KENNEDY. Making a total for 1953 of what?

Mr. SCHULTZ. That just happens to be one figure that we have not completed, I am afraid.

Mr. KENNEDY. Give me 1954 then, and we can add it up.

Mr. SCHULTZ. In 1954 the fees were \$30,960.50, and the disbursements were \$30,883.39.

Mr. KENNEDY. And then 1955?

Mr. SCHULTZ. In 1955 the fees were \$31,943.32 and the disbursements were \$28,843.44.

Mr. KENNEDY. Do you have them for the next year?

The CHAIRMAN. What is that figure again?

Mr. SCHULTZ. \$28,843.44.

Yes; we have it for 1956. The fees in 1956 were \$13,083. The disbursements were \$6,174.14.

Mr. KENNEDY. What were the total fees then, and disbursements for the 4-year period?

Mr. SCHULTZ. \$239,651.42.

Mr. KENNEDY. With the highest year being 1953, is that right?

Mr. SCHULTZ. Yes.

Senator CURTIS. Mr. Kennedy, I am not quite clear. Are these figures for LRA or for Mr. Shefferman as an individual or both?

Mr. SCHULTZ. They are both, sir.

Senator CURTIS. They are both?

Mr. SCHULTZ. Yes.

Senator CURTIS. And they were both handled in a similar manner; that is, the fees plus expenditures?

Mr. SCHULTZ. In the case of Mr. Shefferman, his was a straight fee. However, periodically, he would then also make billings for special services such as trips that he would take on behalf of the company.

Senator CURTIS. That is all.

The CHAIRMAN. And also for his expenses on those trips?

Mr. SCHULTZ. That is true.

The CHAIRMAN. So this is an overall picture——

Mr. SCHULTZ. This is an overall picture.

The CHAIRMAN. Of the total amount paid by Sears, Roebuck for Mr. Shefferman and for Labor Relations Associates?

Mr. SCHULTZ. That is right, sir.

Mr. KENNEDY. Now, how was that broken down as far as Mr. Shefferman is concerned and as far as LRA is concerned?

Mr. SCHULTZ. Of the total sums, sir, Mr. Shefferman personally obtained \$48,953.50.

The CHAIRMAN. Does that include fees and disbursements?

Mr. SCHULTZ. That is only his fees, sir.

The CHAIRMAN. Just the fees?

Mr. SCHULTZ. That is right. What he did there was this: The expenses that he would claim for himself individually, went into LRA and not as a personal expense.

The CHAIRMAN. These were fees and wherever he claimed expenses, he billed that as expenses for LRA?

Mr. SCHULTZ. It went into the LRA books.

The CHAIRMAN. Obviously, he received his expense from LRA and then reimbursed LRA.

Mr. SCHULTZ. That is right. Now, LRA's figure would be \$190,697.92.

Mr. KENNEDY. What is that again, what was the last figure that you gave?

Mr. SCHULTZ. \$190,697.92.

Mr. KENNEDY. What is that figure?

Mr. SCHULTZ. That figure is the total LRA minus Shefferman. Your \$239,651.42 was the total.

Mr. KENNEDY. Did Mr. Shefferman have what was called special expenses for LRA that were charged to Sears, Roebuck?

Mr. SCHULTZ. He did, sir.

Mr. KENNEDY. Was there any breakdown as to how that money was used?

Mr. SCHULTZ. There was, sir.

Mr. KENNEDY. Was there any detailed breakdown as to where that money went?

Mr. SCHULTZ. Yes, there were detailed breakdowns for a period of 2 years only, I believe. Subsequently, they discontinued supplying a breakdown.

Mr. KENNEDY. How much were those special expenses, do you have that?

Mr. SCHULTZ. Yes. Those special expenses total \$52,776.20.

Mr. KENNEDY. Thank you. We will be going into some of these matters in greater detail at a later time.

The CHAIRMAN. Is that a worksheet that you have there, of these expenses?

Mr. SCHULTZ. Yes, it is, sir.

The CHAIRMAN. You verify that as being accurate according to your check of the records?

Mr. SCHULTZ. Yes, it is.

The CHAIRMAN. That worksheet may be made exhibit No. 18 for reference, so that it will be a part of the record and as we interrogate about it we will have it as a document in the file.

(The document referred to was marked "Exhibit No. 18" for reference and may be found in the file of the select committee.)

(At this point, Senator McNamara entered the hearing room.)

Mr. KENNEDY. I would like to have one last figure as we are going into the Boston situation at this time. Could you tell us how much Sears, Roebuck paid to LRA, or to Mr. Shefferman, in connection with the Boston situation?

Mr. SCHULTZ. That figure, sir, is \$78,602.16.

Mr. KENNEDY. What period of time?

Mr. SCHULTZ. That is for the period of 1953 through 1956 and the activity was during the years of 1953 and 1955.

Mr. KENNEDY. That is when most of the money was spent?

Mr. SCHULTZ. Yes, sir.

Mr. KENNEDY. In 1953 and 1955?

Mr. SCHULTZ. Yes.

Mr. KENNEDY. What was that figure again for Boston?

Mr. SCHULTZ. \$78,602.16.

Mr. KENNEDY. That is the highest of any of the stores by far; is it not?

Mr. SCHULTZ. Yes, sir; it is by far.

Mr. KENNEDY. We are also expecting to go into, to some extent, the store at Indianapolis, and could you tell us how much that figure is?

Mr. SCHULTZ. That figure there is \$6,362.24.

Mr. KENNEDY. What about Pittsburgh?

Mr. SCHULTZ. Pittsburgh is \$14,977.32.

Mr. KENNEDY. What is the next highest after Boston?

Mr. SCHULTZ. Well, the next highest after Boston, of course, would be the charges made to the parent.

Mr. KENNEDY. Those are charges made to the parent?

Mr. SCHULTZ. Rather than on a specific store.

Mr. KENNEDY. How much were the charges made to the parent?

Mr. SCHULTZ. \$76,102.83.

Mr. KENNEDY. Could you explain how that was handled, about the parent organization, and what part that played?

Mr. SCHULTZ. Well, some of that, I presume, would have to be a supposition because of the fact that it was very difficult to distinguish from the Labor Relations records how they would handle their billing. There are so many instances in their records where there were strikeovers, where they were going to charge Sears Boston, or Sears somewhere, and obviously then just thought it easier to get it from the parent and it was stricken and charged to the parent.

Mr. KENNEDY. And so the parent just paid some of the charges of the stores, is that right?

Mr. SCHULTZ. Yes, it seems as though it was an overall picture, administratively.

Mr. KENNEDY. So some of this \$76,000 that was charged to the parent was actually used up in Boston and Indianapolis, Pittsburgh, or any of these other stores.

Mr. SCHULTZ. In my opinion it was; sir.

Mr. KENNEDY. What is the next individual store after Boston, what is the next highest item?

Mr. SCHULTZ. The next highest item was Pittsburgh.

Mr. KENNEDY. So Boston was by far the largest, was it not?

Mr. SCHULTZ. By far, yes.

Mr. KENNEDY. That is all for now.

The CHAIRMAN. Thank you very much.

Senator CURTIS. Were there expenditures of this size in all of these cities that you read?

Mr. SCHULTZ. I beg your pardon?

Senator CURTIS. In this list of cities that you read, were there sizable expenditures of this type in all of them?

Mr. SCHULTZ. Oh, no.

Senator CURTIS. Do not take time for more than one on the other end, but take one of the lower ones.

Mr. SCHULTZ. As an example, sir, \$1,400, \$250, \$700, and \$900, and \$1,300, and \$2,500, and about that size figures, sir.

Senator CURTIS. Thank you.

Mr. KENNEDY. The first witness is Mr. Harold Roitman.

The CHAIRMAN. Mr. Roitman, will you come forward, please?

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. ROITMAN. I do.

TESTIMONY OF HAROLD P. ROITMAN

The CHAIRMAN. State your name and your place of residence and your business or occupation.

Mr. ROITMAN. My name is Harold P. Roitman, R-o-i-t-m-a-n, and I live at 66 Watson Road, Belmont, Mass., and I am an attorney, and I am also assistant district attorney for the northern district of Massachusetts.

The CHAIRMAN. You are an attorney and assistant district attorney for the northern district of Massachusetts?

Mr. ROITMAN. Yes, Middlesex County.

The CHAIRMAN. That is Federal?

Mr. ROITMAN. No, that is State.

The CHAIRMAN. Being an attorney, I assume that you waive the right to additional counsel?

Mr. ROITMAN. I do.

Mr. KENNEDY. Mr. Roitman, you were associated with the Sears, Roebuck store in Boston in the 1930's?

Mr. ROITMAN. I was employed by Sears in 1938.

Mr. KENNEDY. In 1938?

Mr. ROITMAN. Yes, sir.

Mr. KENNEDY. You were just finished with school at that time?

Mr. ROITMAN. I had finished college and had several other jobs.

Mr. KENNEDY. And then you came with Sears?

Mr. ROITMAN. Yes, sir.

Mr. KENNEDY. What position did you hold at that time?

Mr. ROITMAN. I think the title of it was "Trainee," but actually I was a clerk and stockboy in the store.

Mr. KENNEDY. Did the store have any union at that time?

Mr. ROITMAN. No, there was no union.

Mr. KENNEDY. Was there a union set up subsequently?

Mr. ROITMAN. There was.

Mr. KENNEDY. Did you participate in any of that?

Mr. ROITMAN. Yes, I did.

Mr. KENNEDY. Could you tell us about that, please?

Mr. ROITMAN. Well, perhaps I ought to state that the Boston store is also physically located in the same building as the mail-order warehouse, where it operates from, and the two units are kept quite separate, the mail-order operation and the retail store are kept separate, but they are physically located in the same building and there is a certain amount of interchange.

Sometime in the fall of 1938, the mail-order warehouse became organized or there was a movement for organization in the teamsters union warehouse division. That stimulated a certain amount of union talk and activity in the retail store and as a result of that stimulus, myself and several other employees contacted the AFL and we were ultimately referred to the retail clerks union and we obtained some membership cards from them and we began a membership organization campaign among the employees of the retail stores.

That continued for perhaps a month, I would say, with a modest degree of success in signing up some of the employees. At some time after we had signed up a group of employees, other members of the committee or other members of the group working with myself, were forced to withdraw from the union activity.

That occurred roughly in this way, that 2 or 3 of the members of the group, 2 I believe, had brothers that also worked for Sears, Roebuck in some other capacity. At some time in the course of our work in trying to sign up the members of the store, these members of the group received calls from their brothers to the effect that Sears, Roebuck Co. was aware of their union activity and if they did not cease and desist from it immediately, that not only would they be discharged, but their brothers would be discharged.

The CHAIRMAN. May I ask you this question: Was that before the Wagner Labor Relations Act was passed?

Mr. ROITMAN. That was after the Wagner Labor Relations Act was passed, but at that time the National Labor Relations Board did not assert jurisdiction over retail stores.

The CHAIRMAN. That was before there was any jurisdiction over retail stores?

Mr. ROITMAN. Before the National Labor Relations Board asserted jurisdiction over them; yes, sir.

The CHAIRMAN. Going back beyond that time, it seems that the only purpose this would have would be to show the conditions that prevailed before Congress started legislating in this field, those conditions that developed in such a way as to cause legislation such as the **Wagner Labor Relations Act** and the **Taft-Hartley Act** to be enacted. It might give us some information on that.

Mr. ROITMAN. I am not positive of my dates, but my recollection is that the Wagner Act was adopted in 1936. This was 1938.

The CHAIRMAN. I believe it was the wage and hour law that was passed in 1938. I was in Congress and I sometimes get the years confused. One was 1936 and the other was 1938. I think I am correct.

Mr. ROITMAN. I think that is right, but I might point out that the Wage and Hour Act did not apply to retail stores, either.

The CHAIRMAN. I understand, but I am trying to get the relationship here of what may have occurred then to existing law at the time. Prior to enacting the Wagner Act, there was little law governing activities of either unions or management and, therefore, management may have engaged in something at that time that was not then an improper labor practice or unfair labor practice, and yet subsequently it became so after the enactment of the statute.

All right, proceed.

Mr. KENNEDY. Just so that we understand, you started to form this group, sort of a union group. You formed it with 3 or 4 other men. Then two of them dropped out whose brothers were working for the store because they were told by management that their brothers would be fired, in addition to themselves, if they participated in this activity?

Mr. ROITMAN. The two employees that I referred to that were working with me in the formation of the A. F. of L. union group were advised that by their brothers. So far as I know, they did not receive it direct from Sears, Roebuck.

Mr. KENNEDY. But they heard from their brothers that their brothers had been told that they would be fired?

Mr. ROITMAN. That is correct. In both cases, as I recall it, they received long-distance calls from their brother.

Mr. KENNEDY. Along about that time and prior thereto, before the enactment of the Wagner Act, that was the general practice, wasn't it, among managements?

Mr. ROITMAN. I don't know that that was the general practice at the time. But Sears certainly utilized those techniques at that time.

The CHAIRMAN. At least prior to the enactment of the Wagner statute that you speak of, I think it was such practices as that which inspired labor legislation at that time. This, you are testifying, occurred shortly after the passage of the Wagner Act?

Mr. ROITMAN. Yes, it did.

Mr. KENNEDY. What year was this that this occurred?

Mr. ROITMAN. This would be in the fall of 1938. I am not sure of the exact months. I think somewhere around September or October. At about that same time that the other members of the group dropped out, the company also announced, through people in the store, that a meeting would be held for the formation of an independent group.

Mr. KENNEDY. Who announced this? Was it somebody in the company?

Mr. ROITMAN. Well, it is hard for me to remember exactly who at the time.

Mr. KENNEDY. I am not asking you the name. Do you remember their position?

Mr. ROITMAN. It was announced throughout the store. As I recall it, some of this came from the personnel department. The principal leader of the group that was organizing the independent was the head of one of the departments in the store. I think his name was Richards, but I am very hazy about that. In any event, the notice went throughout the store so that everybody in the retail store knew of it and was aware of the time and place of the meeting.

I attended that meeting, together with the group of people who had signed up in the American Federation of Labor, retail clerks. After the meeting got underway, an election of officers was held, and I was

elected president of that organization. It was a three-way split in the vote. That is, there were two candidates who apparently were running with, shall I say the blessings of the company, and I ran against them and, as I say, my recollection is that I was elected not by a majority vote but a vote over the other two.

Mr. KENNEDY. You were elected by plurality. You did not get a majority of the total vote.

Mr. ROITMAN. That is correct.

Mr. KENNEDY. But at least its initial sponsor came from the store itself, this council or this group that was set up?

Mr. ROITMAN. Yes. It did.

Mr. KENNEDY. And this was set up as a rival organization to the organization that you were attempting to establish, which was going to be the retail clerks affiliated with the A. F. of L.?

Mr. ROITMAN. That is correct.

Mr. KENNEDY. And this was set up by the company to offset that; is that right?

Mr. ROITMAN. Yes.

Mr. KENNEDY. Still, you went to the meeting. There were two so-called company candidates, and you were the third candidate, and you were able to split the vote and won the presidency?

Mr. ROITMAN. That is right. There was also a council, I think it was called, delegates elected from the various geographic and functioning departments of the store. So, at the end of the meeting, there was in existence a committee consisting of myself as chairman or president, together with, I think, about 10 other representatives from various groups in the store.

After that original meeting, the council group met several times, and we drafted various proposals that we intended to make to management. I think there were 1 or 2 other meetings of the entire group because of the resignation of some of the original electees from the council, and new people were elected to fill their places.

Mr. KENNEDY. What was this called then?

Mr. ROITMAN. The title of it then was the Sears, Roebuck Employees Council. In any event, after we arrived at some series of contract proposals that we intended to make to management, I requested a meeting with management for the purpose of discussing these contract conditions, and at that meeting we were informed by the management of the company that they would not deal with us as a group, but would only recognize us as individual employees of the store.

With that context of the meeting, the next thing I did was to go down to the Massachusetts State Labor Relations Board, which had then recently been set up by the State of Massachusetts. That board did take jurisdiction in the retail field at the time. I filed with them a petition for recognition of this group as the collective-bargaining representative for the Sears, Roebuck retail store. Hearings were finally held on that some time later, and ultimately an election was held by the State board of Massachusetts, at which time the council was named the bargaining agency for the store.

In the interim, there were a number of other things that happened which finally led to the complete collapse of the A. F. of L. organizing activities that we had originally engaged in. In part, most of those stemmed from what occurred in the mail-order division. The organi-

zation in the mail-order division, which I referred to as having sparked this situation, led, apparently, to the organization of the entire warehouse, but, when they attempted to get a contract, they were unsuccessful, and ultimately a strike of the warehouse group took place.

Mr. KENNEDY. By whom? Who was the strike by?

Mr. ROITMAN. The strike was by the organized workers of the warehouse. They were organized at that time into a local of the teamsters, I have forgotten the number, a warehouse local of the teamsters, for most of the employees in the warehouse. There was also a unit of building-service employees, porters, elevator operators, and the like, that was split off from the A. F. of L. group, and I think there was a separate unit for the truckdrivers themselves.

Mr. KENNEDY. So, this strike was called with the concurrence of the local teamsters, or the group that was affiliated with the teamsters? Is that right?

Mr. ROITMAN. That is right.

Mr. KENNEDY. And the teamsters went out on strike then, this local in the warehouse?

Mr. ROITMAN. Yes; it did.

Mr. KENNEDY. You say that that strike was not successful?

Mr. ROITMAN. No. That strike was broken in a relatively short time, in the neighborhood of 2 or 3 weeks, I think.

Mr. KENNEDY. How did that happen? How did that occur? No trucks could get through if the teamsters were out, could they?

Mr. ROITMAN. That was the theory, apparently, but in practice it did not work out that way.

Mr. KENNEDY. Was it actually arranged to have the other teamsters bring their trucks in?

Mr. ROITMAN. Several arrangements were made. I can only tell you the final result of the arrangements. But the company split off the actual teamster trucking operations and formed a sort of straw or independent company so that all of the truckdrivers, instead of being employees of Sears, Roebuck, the next morning woke up to find that they were employees of another teamster company which now had the contract to do Sears' trucking.

At that point, since they were no longer employees of Sears, apparently they felt able to go through the picket line. In any event, they did go through the picket line. In addition, there were various deliveries of oil and gas and items of that nature which were arranged for in the wee hours of the morning or the late hours of the evening by an arrangement whereby somebody from the store stayed in and opened up the premises at the appropriate time.

Mr. KENNEDY. Two or three o'clock in the morning?

Mr. ROITMAN. That was my understanding.

Mr. KENNEDY. They would bring the trucks in at that time?

Mr. ROITMAN. I wasn't there, but that is my understanding, that it occurred at 2 or 3 o'clock in the morning.

Mr. KENNEDY. So, the truckdrivers were union. They were working for the Sears, Roebuck store. Is that right, initially?

Mr. ROITMAN. That is right.

Mr. KENNEDY. And then, over a period of 24 hours or so, they were suddenly transferred from the employment of Sears, Roebuck to another company and, as such, being independents, they were per-

mitted to come through or came through the picket line? Is that correct?

Mr. ROITMAN. That is correct.

Mr. KENNEDY. Even though the picket line had been established originally by Sears, Roebuck teamster employees?

Mr. ROITMAN. That is right.

Mr. KENNEDY. The drivers that came through the picket line had actually been teamster drivers, had they not, initially?

Mr. ROITMAN. I don't know whether they had actually been members of the union or not. All I can say is that the arrangement was that they were no longer employees of Sears, and that trucks did go through the picket line. We were informed that these were no longer Sears employees.

Mr. KENNEDY. What else occurred? That broke that effort to organize that store. Did you have any meetings during this period of time with any officials or any representatives of the Sears, Roebuck Co.?

Mr. ROITMAN. Well, sometime after the company informed us at the first meeting that they would not deal with us as a group but would only deal with us as individuals, I received a call from some official in the store who asked me if I would see a Mr. Nathan Shefferman, who had come in from Chicago. I did have one meeting with him.

Mr. KENNEDY. Did you go up to his hotel and meet him?

Mr. ROITMAN. Yes. He was at a nearby hotel, and I met him there at the hotel.

Mr. KENNEDY. What occurred at that time?

Mr. ROITMAN. Well, he informed me that he was an official of Sears, and that he also was active in labor-relations fields. I think he told me at the time that he was doing some arbitration work for them. Again, I am not really able to recollect the exact details of that. In any event, throughout the conversation he made it clear that, if I was willing to give up the union activities that I was then engaged in, there would be a bright future for me, both in Sears, Roebuck, or, if I was interested, in his separate labor-relations activities.

Mr. KENNEDY. That you could get a job separately?

Mr. ROITMAN. I don't remember as he named any specific job, but he named the possibility of a good future in that field, and that he was especially interested in getting people with an understanding of the field to work in this rapidly growing field.

(At this point Senator McClellan withdrew from the hearing room.)

Mr. KENNEDY. If you were willing to give up your efforts for the union, to affiliate with the A. F. of L. retail clerks, you would have a bright future either in the Sears, Roebuck Co. or, possibly, with him in his separate organization?

Mr. ROITMAN. That was the tenor of the conversation; that is right.

Mr. KENNEDY. What did you tell him?

Mr. ROITMAN. Well, I refused the offer at the time, and I didn't hear anything more from it.

Mr. KENNEDY. What period of time is this? Is this still 1938?

Mr. ROITMAN. It was either 1938 or perhaps the very beginning of 1939.

Mr. KENNEDY. What about your job, yourself? Did you have any change of jobs?

MR. ROITMAN. Yes. Very shortly after I won this election, I was transferred from the main store to a separate little store that they had for selling gasoline and automobile accessories, which was physically about 50 yards away from the main store and a separate little unit of its own.

MR. KENNEDY. This gave you less access to the other employees; is that right?

MR. ROITMAN. I had none after that, except at such times as I saw them at lunchtime or before and after work.

MR. KENNEDY. Did you have any explanation as to why you were transferred?

MR. ROITMAN. Well, none from the company, other than that they were transferring me. Indirectly, the information was that the boys in the service station were going to take care of me, both by keeping me under surveillance and, as I recall it, there was a very active rumor that they were supposed to beat me up in the process.

MR. KENNEDY. Were you told at all by anybody that was supposed to participate in it?

MR. ROITMAN. Yes. The men in the service station who were involved in this activity, or in this proposed plan, informed me of it later on.

MR. KENNEDY. That this is what they were supposed to do with you?

MR. ROITMAN. That is right. It never materialized.

MR. KENNEDY. There were two things that they were supposed to do with you, is that right: keeping you under surveillance and also taking care of you physically if it became necessary?

MR. ROITMAN. That is right.

MR. KENNEDY. Did you continue to work there?

MR. ROITMAN. Well, I worked there through the spring and summer of 1939, and in September I left to go to law school.

MR. KENNEDY. You went to law school then?

MR. ROITMAN. Yes. I think sometime in the late spring, after the election was held by the State board, we finally did have a series of meetings with the company which led to what they called a statement of policy. That is, they refused to sign any contract with us, but they did agree to institute certain slight changes in working conditions and wage arrangements.

MR. KENNEDY. Did you ever have anything to do with the employees council at Sears, Roebuck after that, after you finished law school?

MR. ROITMAN. Sometime after I was through law school and was out in practice, the then president or chairman of the council—I have forgotten the title used at the time—came to me and asked me if I would represent them in a legal capacity.

MR. KENNEDY. Was this about 1945 or so?

MR. ROITMAN. Sometime in that period.

MR. KENNEDY. So, did you agree to represent them?

MR. ROITMAN. Yes; I did. Thereafter, there were 1 or 2 proceedings at the State labor-relations board when the council organized various of the smaller groups, the smaller stores, in the Boston group of stores. That is, in addition to the main Boston store, there were stores in Cambridge and Quincy and various suburbs around Boston. Those are much smaller units.

From time to time the Sears Employees Council organized some of these smaller units. Petitions were filed at the State labor-relations board for the certification of some of those smaller units. I represented the council in some of those matters.

(At this point Senator McClellan returned to the hearing room.)

Mr. KENNEDY. Coming up to 1953, were you still with the employees council as their attorney in 1953?

Mr. ROITMAN. Yes.

Mr. KENNEDY. Was there an effort during that time to affiliate with the retail clerks in the A. F. of L.?

Mr. ROITMAN. Yes; there was.

Mr. KENNEDY. Did you participate in that?

Mr. ROITMAN. Yes. I was not only present at the meetings, but I also advised them as to some of the steps which might be taken to assure the affiliation of the group with the retail clerks, American Federation of Labor.

Mr. KENNEDY. Could you just tell us what happened in 1953, as far as the employees council; what occurred?

Mr. ROITMAN. Well, the members of the governing board of the council were dissatisfied with the progress that they were able to make with the company in arriving at collective bargaining terms and conditions. Their technique up to then had been, in effect, to say that "If you don't give us some concessions we will join the A. F. of L."

I felt that they had used that technique just too often. The company just didn't respond about 1953 to this stimuli.

In any event, the group decided that they would like to get the bargaining strength of an American Federation of Labor affiliated organization, or a group with membership in other areas besides the Sears Boston store. They conducted some negotiations with representatives of the retail clerks, and the constitution and bylaws of the council were amended to provide for affiliation. Ultimately the vote was taken by the members of the council to affiliate the entire council as a body into the retail clerks, American Federation of Labor. I was present at the various meetings which were held to amend the constitution and to take these votes of affiliation. I also conferred with members of the A. F. of L. at the time to arrange for the necessary steps.

Mr. KENNEDY. What steps did the company take then, to counter this?

Mr. ROITMAN. After the motion to affiliate the council with the AFL—

Mr. KENNEDY. Was this in early February or the end of January of 1953?

Mr. ROITMAN. Yes, as I recall it, the council began amending its constitution the year before, and then in the early part of 1953, the vote of the entire membership was taken on the issue of affiliating the group with the American Federation of Labor.

As soon as the vote was taken, I notified the company. Mr. McDermott was head of the Boston group at the time, as I recollect, and I wrote a letter to him informing him that the council had now affiliated with the American Federation of Labor, and in the future they would exercise their rights of collective bargaining with the aid and assistance of agents and representatives of the retail clerks union.

I also, I think, opened up the contract. As I recall it, the contract was due, or the statement of policy, so called, was due to be reopened and up for new collective bargaining in either April or May, so that at the same time I notified them of an intention to reopen that agreement.

Immediately thereafter, a dissident group within the council set up shop claiming to be the true council and refusing to recognize this affiliation movement with the American Federation of Labor and as I recall it the company informed me that they were continuing to recognize the council as now evidenced by this new group rather than the duly elected members of the council who had affiliated with the American Federation of Labor.

MR. KENNEDY. Do you know how this new council, or this second council, or other council, came into existence? Do you know who got that council into existence?

MR. ROITMAN. Well, the ostensible head of it were some employees within the store and I think spearheaded by a group from the Cambridge store, but there was no question but what they had been stimulated by members of the Sears Co. or the Labor Relations Associates who appeared in Boston at the time, and conducted a number of meetings with selected employees, and prompted them into these steps.

MR. KENNEDY. Was that the arrival of Mr. Guffy, so-called Mr. Guffy?

MR. ROITMAN. I recall being informed that Mr. Guffy arrived at the scene.

MR. KENNEDY. Did you know who Mr. Guffy was?

MR. ROITMAN. No; only insofar as I heard what he said to the employees whom he interviewed.

MR. KENNEDY. What was reported to you as to what he said?

MR. ROITMAN. My recollection of the report was that he represented Sears from Chicago and he was interested in arranging for this local group, so-called, to upset the plans to move the council into the AFL.

MR. KENNEDY. Were any of this local group that established this council, were any of them officials of the other council, the first council which had voted to affiliate?

MR. ROITMAN. I don't recollect if any of them were actually officials at the time, and I suppose it would depend on how far you brought down the official network, if you spread it right down to departmental stewards which they had, I think some of them undoubtedly were.

As I recall it, Mr. Hession had been a member of the council, as secretary-treasurer, and I know he was approached, but whether he was at the time he was approached an officer or not, I don't recall.

MR. KENNEDY. Did he become an officer in the new group, the local group?

MR. ROITMAN. My recollection is that he did not.

MR. KENNEDY. He turned it down?

MR. ROITMAN. Yes; but I am not sure. He did give me a statement of exactly what had occurred.

MR. KENNEDY. Had you known or you understood Mr. Guffy was associated with the store in Chicago? Is that what you understood?

MR. ROITMAN. My recollection is that he was. They had a way of talking in terms of departmental numbers, and there was a department 211 which was the security police that Sears employed throughout

the store units, and various other numbers like that, would be tossed around.

My recollection is that he came on the scene and he said that he was either department 211 or something similar to that, which had a connotation of either this police association within the Sears store, or the labor relations group and he did not speak to me personally, and I don't know exactly what it was.

Mr. KENNEDY. Did you know that he had any other name, other than Guffy? Did you know at that time?

Mr. ROITMAN. I did not know that he had and I know there was, in addition to Mr. Guffy, there were some other representatives that came in from time to time and it may have been Mr. Guffy using another name.

Mr. KENNEDY. I see. You gave up your representation of the group that had affiliated with the AFL shortly afterward?

Mr. ROITMAN. Well, sometime in the month following the affiliation and the development of the rival council, and the various other steps that took place at the time, there was, I think, a suit brought in Massachusetts by some members over a division of the funds of the council and there were several other lawsuits of one type or another that were in various stages of operation.

Sometime after these matters started, I was informed by the representative of the retail clerks that the international union was no longer going to maintain responsibility for the various expenses that were being incurred in behalf of the clerks, but that all of these would have to be put on a local basis.

That is, that the retail clerks group that had now been chartered in Sears, Roebuck would have to stand on their own feet and pay for their own expenses out of their own groups. In view of the fact that they had joined the AFL for exactly opposite situations, I had a falling out with the retail clerks, and thereafter we mutually agreed that I would not represent them any more.

Mr. KENNEDY. So the AFL retail clerks withdrew their financial support of this group and with that you broke with them: Is that correct, or you no longer represented the council?

Mr. ROITMAN. That is right.

Mr. KENNEDY. Do you have any explanation as to why they would not support this group any longer?

Mr. ROITMAN. I don't want to say they didn't support them at all, but they were not willing to put any more funds into it. I don't know why they reached that position.

Mr. KENNEDY. That is all.

The CHAIRMAN. Are there any questions?

Senator McNAMARA. I am particularly interested in that phase of the strike activity where the outside trucking company came in and took over the trucking operation for Sears.

Was there such a company that was delivering for other retail stores in the Boston area at that time, and did they deliver normally for such stores as these other big stores?

Mr. ROITMAN. Most of the Boston stores to my knowledge have their own truck-delivery systems.

Senator McNAMARA. At that time?

MR. ROITMAN. Yes, and Sears had their own up until this time. Now, there are some of the smaller stores that have a United Delivery Service, but my recollection was that this group was not a part of that United Delivery Service, but I am not really familiar with all of the details.

Senator McNAMARA. What year was that strike, do you remember?

MR. ROITMAN. I think it was the late fall of 1938. I remember it being cold when we were on the picket line, and it could have been the early spring.

Senator McNAMARA. It is not unusual in metropolitan areas for a delivery outfit to take over the function of downtown stores, and I think it is quite common now in many cities.

MR. ROITMAN. Oh, yes; it is.

Senator McNAMARA. But there was no such organization, and I thought maybe this was the outfit that they took over. You indicated that you do not know whether the drivers that came in to take over the trucking operations during the strike were members of the teamsters union.

MR. ROITMAN. I have no personal knowledge of that at all.

Senator McNAMARA. I think it would be very important to this committee whether or not they were. That is, if union truckdrivers were going through the picket lines of the other truckers who were on strike. It would be interesting.

MR. ROITMAN. I will say this: My suspicion is that they were not.

Senator McNAMARA. That they were nonunion drivers?

MR. ROITMAN. And that the employees who went through in the wee hours of the morning situation were. That is, that those other groups were organized and, therefore, they did not pass through the picket line, but passed around it in terms of time.

Senator McNAMARA. That in itself would not be too unusual and they delivered at a time when the picket line was not there, and they would not know there was a picket line. That was in those days a rather common practice.

MR. ROITMAN. Probably it was, but it was unusual for people to be in a store at that hour of the morning.

Senator McNAMARA. They made special arrangements.

MR. ROITMAN. Yes, sir.

Senator McNAMARA. To the best of your recollection, then, the drivers to your knowledge who took over the trucking operation for Sears were not members of the truck drivers union.

MR. ROITMAN. I can only offer my conjecture on that and my conjecture is that they were not.

Senator McNAMARA. Thank you.

The CHAIRMAN. Are there any other questions?

Senator CURTIS. How long did you work for Sears?

MR. ROITMAN. A little over a year, as I recall it. I think that I came to them in the spring of 1938 and left in the fall of 1939.

Senator CURTIS. This council that you talked about, was that a labor organization within the meaning of the statute?

MR. ROITMAN. Certainly not in its inception. I think you have to decide what "independent" really means before you can say that it was throughout its period.

Senator CURTIS. What portion of the Sears employees joined it?

Mr. ROITMAN. A very large percentage joined it. I have forgotten what our membership ran, or what the membership ran when I was there, but I think it was in the neighborhood of 90 percent of the eligible employees joined it.

The CHAIRMAN. What percentage?

Mr. ROITMAN. In the neighborhood of 80 or 90 percent.

Senator CURTIS. But it did not operate as a collective bargaining agency?

Mr. ROITMAN. Well, it attempted to. The company never would sign an actual contract with it, but after the certification by the State labor relations board, it did talk with officials of the company over terms and conditions of employment and there were some changes apparently made as a result of those conversations.

But the company at that time, in any event, to my knowledge all of the way through, up to 1953, consistently refused to sign any contract with any organization.

Senator CURTIS. You have done general legal work in the labor field, have you not?

Mr. ROITMAN. Yes; I have.

Senator CURTIS. What other unions do you represent?

Mr. ROITMAN. Well, I now represent some locals of the automobile workers union, some of the textile workers union and others on a case-by-case basis.

Senator CURTIS. Have you represented the retail clerks union?

Mr. ROITMAN. Not except for that one occasion in 1953 when I was there.

Senator CURTIS. That is all.

The CHAIRMAN. Thank you very much.

Call the next witness.

Mr. KENNEDY. Mr. Thomas Hession.

The CHAIRMAN. You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth and nothing but the truth, so help you God?

Mr. HESSION. I do.

TESTIMONY OF THOMAS A. HESSION

The CHAIRMAN. State your name, your place of residence, and your business or occupation, please.

Mr. HESSION. Thomas A Hession, H-e-s-s-i-o-n, 33 Busswell Street, Boston. I am known as a distributor in the receiving room. I distribute merchandise to different people. That is the new title.

The CHAIRMAN. For whom do you work?

Mr. HESSION. Sears, Roebuck.

The CHAIRMAN. How long have you worked for them?

Mr. HESSION. Twenty-two years.

The CHAIRMAN. Do you waive counsel?

Mr. HESSION. I do.

The CHAIRMAN. Proceed.

Mr. KENNEDY. Mr. Hession, you have been with the Sears, Roebuck Co. for how long?

Mr. HESSION. Twenty-two years, or my record shows 22 years next April 11, but I have been with them 22 years last October 1.

Mr. KENNEDY. Since about 1935?

Mr. HESSION. 1935, yes, sir.

Mr. KENNEDY. And did you become a member of the Sears, Roebuck Employee Council?

Mr. HESSION. I did.

Mr. KENNEDY. In what year was that?

Mr. HESSION. 1938.

Mr. KENNEDY. Did you ever run for office, in 1950?

Mr. HESSION. In 1950.

Mr. KENNEDY. For what reason did you run for office?

Mr. HESSION. I was called to the furniture head's office, and his name is Leo Grue, and he asked me if I would run for the treasurer's office because the girl in his department who had been treasurer and he found out there was too much work for her and she was out of the department too much.

The CHAIRMAN. Running for treasurer of what?

Mr. HESSION. Of the council.

The CHAIRMAN. You are talking about this labor council?

Mr. HESSION. The Sears, Roebuck Employees Council.

Mr. KENNEDY. You were asked, as I understand it, by the head of your department, to run for the position of treasurer.

Mr. HESSION. The head of the furniture department.

Mr. KENNEDY. The head of the furniture department?

Mr. HESSION. Yes, sir.

Mr. KENNEDY. You were asked by the head of the furniture department to run for office in the employees' council, Sears, Roebuck Employees Council.

Mr. HESSION. In 1950.

Mr. KENNEDY. And that was the only so-called union that existed at that time?

Mr. HESSION. That is right.

Mr. KENNEDY. That is right?

Mr. HESSION. Yes, sir.

Mr. KENNEDY. That was supposed to be the union, supposed to be the union representing the employees?

Mr. HESSION. Yes, sir.

Mr. KENNEDY. And you were asked by management to run for the position of secretary-treasurer?

Mr. HESSION. No; treasurer.

Mr. KENNEDY. Is that right?

Mr. HESSION. Yes, sir.

Mr. KENNEDY. Did you run for the position?

Mr. HESSION. I did.

Mr. KENNEDY. And you were elected?

Mr. HESSION. Unopposed, I ran.

The CHAIRMAN. Were you a member of this council at the time you were asked to seek office?

Mr. HESSION. I didn't ask to seek office. I was approached by the division head in the furniture department.

The CHAIRMAN. Sir?

Mr. HESSION. I didn't ask to run. I was approached by the division head in the furniture department.

The CHAIRMAN. You didn't get my question. Were you a member of the council at the time you were asked by management to seek this office?

Mr. HESSION. I was.

The CHAIRMAN. How long had you been a member of it?

Mr. HESSION. Since 1938.

Mr. KENNEDY. At that same time, or during this period of time, was there activity on the part of the retail clerks, AFL, to organize the employees of Sears, Roebuck?

Mr. HESSION. At that time I had no knowledge of it, but I understand there was.

Mr. KENNEDY. Were you asked at that time or at a later time to hand out any antiunion literature?

Mr. HESSION. I was.

Mr. KENNEDY. Antiretail clerks literature?

Mr. HESSION. Yes, sir.

Mr. KENNEDY. By whom were you asked to do that?

Mr. HESSION. Leo Grue, the head of the furniture department.

Mr. KENNEDY. The same person?

Mr. HESSION. The same person.

Mr. KENNEDY. Did you do that? Did you perform that for him?

Mr. HESSION. I did.

Mr. KENNEDY. In January, coming up into January of 1953, the employees council voted to affiliate with the retail clerks, did they not?

Mr. HESSION. They did.

Mr. KENNEDY. Did you go along with the retail clerks at that time?

Mr. HESSION. I did.

Mr. KENNEDY. You wanted to affiliate with the retail clerks, is that right?

Mr. HESSION. I did.

Mr. KENNEDY. Were you approached then by anybody in management in connection with that matter?

Mr. HESSION. On February 12, I received a telephone call, about 3:30 in the afternoon, to come over to Miss Binder's office. She is the personnel manager. So I went over there. I looked into her office, and the office was empty. As I looked around outside, Gillispie, who is the head of the men's furnishing department, came up to me and said, "Tommy, it is me. Come on in the office."

So we went in, and he closed the door, and he said, "Do you know what you are in here for, Tommy?"

I said, "No; unless it is for a party for Mr. Lienberry, who is leaving to go to Philadelphia."

He said, "No; it is about this A. F. of L. trouble. They are not going to win out. I want you to go along with me."

He said, "You have a lot of friends in the store."

I said, "Yes; I have a few."

He said, "I want you to approach them and go along with me."

I said, "Gil, I can't go along. I signed an A. F. of L. card. I am going along with the tide."

He said, "How long have you been with the company?"

I said, "Seventeen years."

He said, "That is a lot of profit-sharing time."

I said, "Yes. You know, Gil, I have about 80 friends in Roxbury, and they belong to the A. F. of L. I could never hold my head up with them."

I said, "Most of this trouble started in the receiving room."

The CHAIRMAN. Started how?

Mr. HESSION. In the receiving room.

"There is a lot of dissension there. Everybody seems to be boss."

I said, "I took a cut in pay."

He turned around and said to me, "I am not in a position to offer you a bribe."

I said, "I am not looking for a bribe, nor do I intend to accept one."

So then he said, "There is a fellow here from Chicago. He took care of me when I got transferred."

He said, "He will be your friend for life. I want you to meet him."

I said, "Gil, I don't need any protection. My record speaks for itself. I won a World's Fair trip for meritorious service, and I have Sears' highest honors."

I dropped my head then, and he said, "Tommy," he says, "what is on your mind? What are you thinking about? Won't you see this guy from Chicago?"

I said, "Gil, O. K., but I won't guarantee I will go along with him."

He said, "Any day all right with you?"

I said, "Any day is O. K. with me."

He said, "What about Friday?" and I said, "That is all right with me."

He said, "Well, I will make arrangements, and I will let you know."

He said, "Whatever went on behind these doors," he says, "don't breathe a word about it."

That was the end of the conversation.

Mr. KENNEDY. Why would he bring up about the fact that you had a long-term interest in the retirement plan? What did you consider that he meant by that?

Mr. HESSION. The way I took it was that if the A. F. of L. won out that we would lose our profit-sharing.

Mr. KENNEDY. How were you going to lose the profit sharing?

Mr. HESSION. They would automatically drop the profit sharing from us.

Mr. KENNEDY. If you went along with the A. F. of L., the company would take the profit sharing away from you?

Mr. HESSION. Would take the profit sharing away from us.

Mr. KENNEDY. And he wanted you to oppose them, oppose the retail clerks, and you explained to him about your friends, and that there was a lot of dissension as to how things were being handled and that you wanted to go along with the retail clerks?

Mr. HESSION. Yes, sir.

Mr. KENNEDY. And he wanted you to see this man from Chicago and you agreed to do it, is that right?

Mr. HESSION. I did after a while.

Mr. KENNEDY. Did you ever see the man from Chicago?

Mr. HESSION. I did.

Mr. KENNEDY. Will you tell us about that, how you happened to see the man from Chicago?

Mr. HESSON. After I went back to work, about a half hour later, Leo Grue came in to the receiving room, and he said, "Tommy, have you got any rug samples for me?"

Mr. KENNEDY. This Leo Grue is the same one from the furniture department?

Mr. HESSON. Yes. At that time he was sales promotion manager for the furniture and rug department. He worked out of the office in the warehouse.

He said, "Have you got any rug samples for me?"

I said, "No, Leo," and I turned around and asked another fellow if he saw any, and he said no. As he came close to me, he said, "I have to have them for a hotel meeting tomorrow morning at the Hotel Braemore."

I said, "What have you got, a rug show on?"

He nudged me, and he said, "That is for you, Tommy, Hotel Braemore tomorrow morning at 9 o'clock. Go to the desk and ask for the party in room 152."

Mr. KENNEDY. Did you know that you were supposed to go up and meet this man from Chicago?

Mr. HESSON. That was it.

Mr. KENNEDY. Through this message?

Mr. HESSON. Through this message. He said, "The hotel is in two sections, section 1 and section 2."

He said, "Section 1 means building No. 1 and 5 means the fifth floor."

I said to Leo, "What about my time?"

He said "That will be taken care of."

And that was the end of that conversation.

Mr. KENNEDY. So did you go down to the Hotel Braemore?

Mr. HESSON. I did.

Mr. KENNEDY. Did you meet anyone there?

Mr. HESSON. I did.

Mr. KENNEDY. Go ahead. Who did you meet there?

Mr. HESSON. Well, I got to the hotel about 10 minutes to 9 and I hung around until 9 o'clock and I went to the desk and I asked the fellow at the desk—I told him that I wanted to see the party in room 152.

Mr. KENNEDY. Would you speak up a little louder, please?

The CHAIRMAN. Get the microphone in front of you.

Mr. HESSON. All right.

I went to the desk and I asked the fellow at the desk—I told the fellow at the desk that I wanted to speak to the man in room 152. He said "Well, he is busy talking to the airlines right now. Just be seated and give me your name."

So I did. After he got off the airlines, he told me to go up to room 152. He told me where the elevator was. So I went up there. As I got off the elevator, I turned left and the first door on the right was—

Mr. KENNEDY. You have a very good memory.

The CHAIRMAN. Let's get on inside the room.

Mr. HESSON. The door was open.

The CHAIRMAN. All right. Let's have order.

Proceed.

Mr. HESSON. The door was open and inside the door stood this fellow. He said "Are you Mr. Hession?"

I said "Yes."

He said "My name is Guffy."

The CHAIRMAN. Guffy?

Mr. HESSON. Guffy. So he asked me to sit down and he walked over to the window and he started looking out, and he says "I am not a stranger in Boston." He says, "I used to go to B. U."

Mr. KENNEDY. He said what?

Mr. HESSON. He said "I am not a stranger in Boston. I used to go to B. U."

Then the telephone rang.

The CHAIRMAN. Let me suggest to the witness that he get down to the facts. These details are interesting but not necessarily essential. You had a conversation with a man in room 152.

Mr. HESSON. I did.

The CHAIRMAN. He told you his name was Guffy.

Mr. HESSON. Guffy.

The CHAIRMAN. What did he want to talk to you about, or what did he talk to you about? This matter that we are investigating?

Mr. HESSON. Two other fellows came in and he started his conversation.

Mr. KENNEDY. You recognized Mr. Guffy in the room? Had you seen him yet?

Mr. HESSON. Yes, sir.

Mr. KENNEDY. Is that Mr. Guffy? Will you point him out?

(The witness complied with the request.)

The CHAIRMAN. All right. Thank you, Mr. Guffy.

Proceed.

Mr. HESSON. So he started in. He said, "We believe in unions, though not all unions. Some of them have a tendency to lean to the Communist side."

He says, "If it takes 21½ years, we will break this thing and spend plenty of money doing it."

Hanson asked him, "Isn't it true that there is unions in other Sears stores?"

And he says, "Yes." He says, "Out in Detroit," he says, "the auto workers tried to get in and," he said, "we didn't care for the auto workers, and we put the A. F. of L. in."

I told him—I told him that I had signed an A. F. of L. card and belonged to the negotiation committee. He said, "I don't know why local management never told us about this trouble. Had they told us about this trouble, we could have straightened it out. But we will never trust the local management again."

He said, "If any of you people have any grievances against the company and the company won't go along with you, let me know, and I will take care of them."

Then he said, "They picked this hotel because the people wouldn't figure there would be meetings going on here."

Mr. KENNEDY. I am sure of that.

Mr. HESSON. Then he pulled out a bunch of cards and he gave us each two of them, called declaration of rights cards. He asked us to

sign one and get another employee to sign the other and turn them over to Angie Giammasi.

Mr. KENNEDY. Who was Angie Giammasi?

Mr. HESSON. At that time he was with the unaffiliated council, which was just starting. I don't know what office he ran for in the 1952 election, but he was defeated.

Mr. KENNEDY. So what did you say to this?

Mr. HESSON. I didn't say anything to that. We took the cards and put them in our pocket. He asked us to sign our names on a piece of paper, and addresses and telephone numbers, if we had one, and then he invited us down to breakfast.

Mr. KENNEDY. Did he say who he was, or who he was affiliated with, or what he was doing?

Mr. HESSON. No; he did not.

The CHAIRMAN. You spoke of a declaration of rights card. Could you recognize one of them if you saw it now?

(Document handed to witness.)

Mr. HESSON. I believe this is the same thing.

The CHAIRMAN. That may be made exhibit No. 19.

(The document referred to was marked "Exhibit No. 19" for reference and will be found in the appendix on p. 6228.)

Mr. KENNEDY. So you had breakfast with him, did you?

Mr. HESSON. I did.

Mr. KENNEDY. Then you went back to your work?

Mr. HESSON. I did.

Mr. KENNEDY. He took you to breakfast and then you returned?

Mr. HESSON. I did.

Mr. KENNEDY. What did you decide to do then?

Mr. HESSON. Well, I went home and I talked to my friends in Roxbury, and I came back in to work Monday morning and I met Gillispie about 10 o'clock. I said, "Gil, I am not going along with this thing. I haven't eaten or slept even for 3 days."

He said, "Tom, don't lose any sleep over it. Just forget about it."

I said, "Will you straighten everything out with Guffy," and he said, "I will." That was the end of the conversation.

Mr. KENNEDY. Were you told to keep quiet as to your conversation with Guffy?

Mr. HESSON. Yes. He did say, "Don't say anything about it."

The CHAIRMAN. Did you keep quiet?

Mr. HESSON. I did up to that moment.

The CHAIRMAN. And soon thereafter, what happened?

Mr. HESSON. When I told my story would be around April.

The CHAIRMAN. This was in what month?

Mr. HESSON. That was February.

The CHAIRMAN. You kept quiet for a couple of months?

Mr. HESSON. Yes, sir.

The CHAIRMAN. All right.

Mr. KENNEDY. Subsequently did another gentleman come up to see you and started interviewing the employees? Do you know Mr. Herb Melnick?

Mr. HESSON. Melnick, yes.

Mr. KENNEDY. What was his position? What was he doing?

Mr. HESSION. Well, he called me over to the office some time in the latter part of February. He told me that he was from 707 in Chicago.

Mr. KENNEDY. That is a department in Chicago?

Mr. HESSION. Yes, sir. That is the personnel department. He told me that he is tired of telling people what he is here for, and he asked me if I knew what he was here for. I said, "The only thing I heard was that you are interested in the 25th anniversary." I said, "I don't believe I can help you in any form or other."

Mr. KENNEDY. What did he mean, the 25th anniversary?

Mr. HESSION. Well, that was the 25th year of business, and they was going to have some kind of promotions, I believe.

Mr. KENNEDY. Why was he interviewing you?

Mr. HESSION. He wanted to know if I had any suggestions in regard to advertising, evidently.

Mr. KENNEDY. Did he ask you any other questions?

Mr. HESSION. He said "Some people here believe I am in here because of this union deal."

I said, "How I voted is my business." I never revealed how I voted.

Mr. KENNEDY. Was he interested in how you voted?

Mr. HESSION. Well, he appeared that way then.

Mr. KENNEDY. And you wouldn't tell him?

Mr. HESSION. I wouldn't tell him.

Mr. KENNEDY. Did he tell you subsequently that he was also interviewing other employees, at the other Sears, Roebuck stores in Boston, and Cambridge?

Mr. HESSION. Not then. I met him at a party for Mr. Lienberry and asked him what he was doing in Boston so long. He said he was over in the Cambridge store.

Mr. KENNEDY. Interviewing employees there?

Mr. HESSION. Interviewing employees there.

Mr. KENNEDY. That is all, Mr. Chairman.

Senator CURTIS. Mr. Chairman?

The CHAIRMAN. Senator CURTIS.

Senator CURTIS. What reason was given why you should run for treasurer?

Mr. HESSION. Because I was very honest and conscientious.

Senator CURTIS. And what about the incumbent treasurer? Didn't you say something about that?

Mr. HESSION. Yes. Her boss was Mr. Grue and he felt as though she was losing too much time on the floor collecting dues and the job was too much for her, and he wanted somebody like me to run for treasurer.

Senator CURTIS. She continued to work there, did she?

Mr. HESSION. She did.

Senator CURTIS. And so did you? You have continued on since then?

Mr. HESSION. Yes, sir.

Senator CURTIS. That is all.

Mr. KENNEDY. I might ask you this question: How did you get your awards? You said you got some awards from Sears.

Mr. HESSION. Yes. In 1939 they ran a contest over a period of about 3 months. There were six awards for the World's Fair. There was a hard-line division, a soft-line division—

Mr. KENNEDY. I don't have to know each one, but what did you get?

Mr. HESSION. There was two awards for nonselling employees. I don't know how it worked, but——

Mr. KENNEDY. What did you get the award for? What did you do?

Mr. HESSION. Meritorious service over the period of 3 months.

Mr. KENNEDY. Then did you get another award?

Mr. HESSION. I did.

Mr. KENNEDY. What is that?

Mr. HESSION. A 4-star pin.

Mr. KENNEDY. What is that?

Mr. HESSION. The highest honor to an employee in Sears, Roebuck.

Mr. KENNEDY. When did you receive that award?

Mr. HESSION. November 1939.

Mr. KENNEDY. Was that just for your general services that you had performed?

Mr. HESSION. General service, high and beyond.

Mr. HESSION. High and what?

Mr. HESSION. High and beyond the call of service.

Senator McNAMARA. May I ask a question at this point, Mr. Chairman?

The CHAIRMAN. Senator McNamara.

Senator McNAMARA. Did you get any more money because of this award? Did you get a raise in pay or anything?

Mr. HESSION. I did.

Senator McNAMARA. How much?

Mr. HESSION. I think when I won the World's Fair award, I got a dollar raise.

Senator McNAMARA. A dollar a day?

Mr. HESSION. A dollar a week.

Senator McNAMARA. Two cents an hour?

Mr. HESSION. When I got the 4-star pin, I got \$2.

Senator McNAMARA. A total of three?

Mr. HESSION. A total of three.

Senator McNAMARA. That is not bad.

The CHAIRMAN. Are you still with Sears, Roebuck?

Mr. HESSION. Yes, sir.

The CHAIRMAN. Are you happy with your work?

Mr. HESSION. Very much so.

The CHAIRMAN. You have no complaints now?

Mr. HESSION. No, sir.

The CHAIRMAN. Are you still in the union?

Mr. HESSION. There is no union there now.

The CHAIRMAN. Are you happy that it is out?

Mr. HESSION. Yes, sir.

The CHAIRMAN. Thank you.

Mr. KENNEDY. That is all.

The CHAIRMAN. Call the next witness.

Mr. KENNEDY. Roy Webber.

The CHAIRMAN. Do you solemnly swear that the evidence you shall give before this Senate select committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. WEBBER. So help me God.

TESTIMONY OF ROY W. WEBBER

The CHAIRMAN. State your name, your place of residence, and your business or occupation.

Mr. WEBBER. My name is Roy W. Webber. My place of residence is 1055 Beacon Street, Brookline 46, Mass. I am self-employed in the mail-order business from the same address.

The CHAIRMAN. How long have you been self-employed?

Mr. WEBBER. I have been self-employed since January of 1957.

The CHAIRMAN. Where did you formerly work?

Mr. WEBBER. Sears, Roebuck & Co.

The CHAIRMAN. How long did you work for them?

Mr. WEBBER. I first went to work for them in May of 1928, and I left in January of 1929. I came back in June of 1930, and I was discharged October 12, 1953.

The CHAIRMAN. 1953?

Mr. WEBBER. 1953. And I came back, due to the National Labor Relations Board decision, I came back in July of 1955, and I was discharged again in January of this year.

The CHAIRMAN. Do you have another complaint pending before the National Labor Relations Board?

Mr. WEBBER. No; I have not.

The CHAIRMAN. All issues have been settled?

Mr. WEBBER. I didn't make any complaint at the end, when I was discharged the last time. I hadn't

The CHAIRMAN. Do you waive counsel?

Mr. WEBBER. I waive counsel.

The CHAIRMAN. Proceed, Mr. Kennedy.

Mr. KENNEDY. In 1953, in January of 1953—first, you were associated with this Sears, Roebuck Employees Council, were you not?

Mr. WEBBER. I succeeded Mr. Harold Roitman, as the chairman.

Mr. KENNEDY. You became the chairman of it?

Mr. WEBBER. That is right.

Mr. KENNEDY. Did you hold a position during 1952 and 1953?

Mr. WEBBER. From 1939 up until 1950, I was chairman of local 1 and also supreme chairman of the board. After 1950, up until January 1953 I was chairman of the supreme board of the Sears Roebuck Employees Council.

Mr. KENNEDY. Specifically in 1953, in January, you were chairman of the Sears, Roebuck Employees Council?

Mr. WEBBER. I relinquished the office the first week in January in 1953.

Mr. KENNEDY. Were you president when they voted to affiliate with the retail clerks?

Mr. WEBBER. I convened the meeting and after the new board of officers were elected, I made a farewell speech and left. I wasn't there when the vote transpired.

Mr. KENNEDY. So you were not an officer in the one that was affiliated with the A. F. of L., is that right?

Mr. WEBBER. No, sir; I was not.

Mr. KENNEDY. You were not. Were you active on the part of the Retail Clerks, A. F. of L.?

Mr. WEBBER. I certainly was. I was the one that initiated it.

Mr. KENNEDY. You had initiated it and you were active for them in 1953?

Mr. WEBBER. That is right.

Mr. KENNEDY. During that period of time, did you have anything to do with Mr. Guffy?

Mr. WEBBER. I have never met the gentleman, to my knowledge, until I saw him in this building.

Mr. KENNEDY. Did you have anything to do, did you have any contact, with a man by the name of Louis Jackson?

Mr. WEBBER. Yes; I knew Mr. Jackson over the years. He used to represent the company in the early 1940's, in negotiating statement of policies with the council.

Mr. KENNEDY. So did you meet him in 1953 while you were active on the part of the A. F. of L., Retail Clerks?

Mr. WEBBER. Yes, sir.

Mr. KENNEDY. You met him during that period of time?

Mr. WEBBER. Yes, sir.

Mr. KENNEDY. Who was he? What was Mr. Louis Jackson's position?

Mr. WEBBER. Well, he was a representative of Nathan Shefferman in the New York office, or in the Labor Relations——

Mr. KENNEDY. Labor Relations Associates?

Mr. WEBBER. Yes.

Mr. KENNEDY. So he was the representative of Mr. Shefferman in Labor Relations Associates from New York and came up to Boston?

Mr. WEBBER. Yes, sir.

Mr. KENNEDY. While you were active in the retail clerks, and you had led the movement initially to affiliate with the retail clerks and you were active in 1953, were any jobs offered to you, any positions offered to you, to get you out of Boston?

Mr. WEBBER. Do you want me to go back to 1948?

Mr. KENNEDY. Well, if you want to briefly, I would like to have you. What does that entail?

Mr. WEBBER. Mr. McCane offered me a job as merchandising manager in the Brooklyn store, the New York store.

Mr. KENNEDY. When was this?

Mr. WEBBER. That was 1948.

Mr. KENNEDY. Was that when you were active?

Mr. WEBBER. I wasn't active in negotiations——

Mr. KENNEDY. I don't want to have every time you were offered a job. I want to find out about the jobs which you were offered and the circumstances under which you were offered jobs while you were working for the retail clerks.

Mr. WEBBER. The retail clerks?

In 1953, Mr. Jackson came to see me in the furniture department, and invited me out to lunch. I had had my lunch. He said "Where can we talk?" So we sat down in the furniture department and he wanted to know why all this trouble. After some conversation I told him about the vote, that this store had voted almost 9 to 1 for an affiliation. So in the course of the conversation, he said "Why don't you do something for yourself, Roy? If you want to, I can arrange a transfer for you down to South America, because I know the vice president of the Sears Roebuck Co. down there."

I think his name is Smith, although I may be mistaken.

I said to him, "Lon, I am not interested. I know I could get down there, but how could I get back?"

Mr. KENNEDY. So you turned that job down?

Mr. WEBBER. I turned it down; yes.

Mr. KENNEDY. Were you offered any other job other than the one in South America?

Mr. WEBBER. Yes, sir; I was.

Mr. KENNEDY. Who offered you that job?

Mr. WEBBER. Mr. Caldwell, the vice president in charge of personnel. That was in June of the same year.

Mr. KENNEDY. What conversation was it that you had with them?

Mr. WEBBER. He called me down to the Sheridan Plaza Hotel, through the management of the local store he called me down there to meet him. He wanted to know from me why all this trouble always in Boston in union affairs. In the course of the conversation, he told me that if I would agree to it, that he could place me as a labor relations man in some factory through the Midwest after a short period of training.

I told him that I wasn't interested, and that I wasn't an officer in the union, but I was very much interested in organizing for the A. F. of L. and rather than leave the people in the fight, I would rather cut cordwood at my place in New Hampshire.

He said "Well, think it over. I will have a man in the store in about 2 weeks, and you can let him know. Think it over with an open mind."

So in 2 weeks I was asked to go down to the manager's office. I believe the man introduced himself as Mr. Swenson, and he asked me whether or not I had not thought more about what Caldwell had said, and I said "yes, I had thought about it, but I hadn't changed my mind."

Mr. KENNEDY. So you didn't take that position. You remained with Sears, Roebuck?

Mr. WEBBER. I remained selling furniture and organizing or trying to organize for the retail clerks.

Mr. KENNEDY. Subsequently, in 1953, were you fired from your job?

Mr. WEBBER. In 1953 I was fired, yes.

Mr. KENNEDY. You were fired. What month was that?

Mr. WEBBER. That was November—it was the day after the holiday, November 12.

Mr. KENNEDY. That you were fired?

Mr. WEBBER. Yes.

Mr. KENNEDY. October 12?

Mr. WEBBER. November 12.

Mr. KENNEDY. Was it November 12?

Mr. WEBBER. Yes, the day after Armistice.

Mr. KENNEDY. What reason did they give you for firing you at that time?

Mr. WEBBER. Well, Mr. Romizer said that he had reviewed my sales back for a few years, and that I was consistently low man in the department, and that they were relieving me of the job.

Mr. KENNEDY. Were you in fact low man in your department?

Mr. WEBBER. I had been low man due to the fact, in my estimation, because of my activities with the council. It took so much time off of the floor. But in the year in which I was discharged, I had over a 70-percent increase in business over the year before. That was proven in the National Labor Relations Board.

Mr. KENNEDY. Well, anyway, the National Labor Relations Board made a study of that, then?

Mr. WEBBER. Yes. There was a hearing there, sir.

Mr. KENNEDY. What finding did they make on it?

Mr. WEBBER. The finding came out that they had to put me back to work and pay any loss that I had financially that I might have suffered in the meantime due to my discharge.

Mr. KENNEDY. Did they say that you had been fired, in fact, because of your union activities? Did they find that?

Mr. WEBBER. Yes, the National Labor Relations Board, to that extent, yes.

Mr. KENNEDY. That that was the reason?

Mr. WEBBER. Yes.

Mr. KENNEDY. So you were brought back in January of 1955?

Mr. WEBBER. No, sir. I was brought back in July, right after the Fourth.

Mr. KENNEDY. Were you offered a settlement in lieu of going back to work?

Mr. WEBBER. Yes, I was.

Mr. KENNEDY. Who were you approached by?

Mr. WEBBER. By Mr. Bachman.

Mr. KENNEDY. Did you know who Mr. Bachman was?

Mr. WEBBER. He was representing Mr. Shefferman. I was called down to Mr. Harold Kowall's office, the general counsel of the NLRB board in Boston.

Mr. KENNEDY. Did he offer you \$2,000?

Mr. WEBBER. He offered me \$2,000.

Mr. KENNEDY. Instead of reinstatement?

Mr. WEBBER. Yes, and I blew my top.

Mr. KENNEDY. You took the reinstatement?

Mr. WEBBER. I took the reinstatement; yes.

Mr. KENNEDY. And then in January of 1957 the store manager asked you to resign, did he not?

Mr. WEBBER. When I went down again, he said, "Now you can do one thing or the other. We can let you go or you can resign. If you resign and you apply for a job elsewhere, we will have to say that you left because of resigning. But if you don't resign, we will have to say that we fired you because of your sales."

In other words, that left two strikes on me.

Mr. KENNEDY. So what did you do?

Mr. WEBBER. I said, "You fire me."

Mr. KENNEDY. And they fired you?

Mr. WEBBER. They fired me.

The CHAIRMAN. What is it about your sales? That seems to be the reason given for complaint against you. Were you the lowest in production of sales?

Mr. WEBBER. That is right.

The CHAIRMAN. And you said what caused that?

Mr. WEBBER. Well, during the years that I was president of the council, the chairman of the council, I had to spend considerable time running down complaints from individual members of the council, and I was off the floor. That went on from the time I was elected chairman of the council, and it progressed during the years, and after the war it became more acute when we seemed to have more complaints.

The CHAIRMAN. I am trying to get this into its proper perspective. You were devoting your time to the services of the council?

Mr. WEBBER. That is right.

The CHAIRMAN. At the same time drawing your salary or pay—

Mr. WEBBER. I was drawing a salary of \$20 as a backup man in the department, plus I was getting a 5-percent commission.

The CHAIRMAN. Were you paid on the basis of commissions?

Mr. WEBBER. That is right. From the company.

The CHAIRMAN. So if you lost out in sales, you were suffering as well as the company?

Mr. WEBBER. Yes. That is right, sir.

The CHAIRMAN. And it wasn't that they were paying you a salary and you were devoting your time to the union, to the local, or to the council?

Mr. WEBBER. My main compensation was 5 percent against my sales, and at no time did I ever, that I remember, through the years—we received a drawing account. At no time through the years do I remember that they had to wipe out any red deficit that I had. I always made more than my draw.

The CHAIRMAN. This last time they fired you, you say you have made no complaint about it?

Mr. WEBBER. I made no complaint, sir.

The CHAIRMAN. You just decided to accept the discharge and forget about everything else?

Mr. WEBBER. I wanted a little harmony left in my life.

The CHAIRMAN. Senator Curtis?

Senator CURTIS. Was this extra activity for the council a factor in this last discharge?

Mr. WEBBER. No, sir; that was not.

Senator CURTIS. That related to your sales?

Mr. WEBBER. That related to my sales. If I might explain it to you, Senator, when I came back in 1955, I went back in the furniture department. I wasn't the low man in the furniture department. I was down near the bottom. There was a man lower than me. In 1956 when I came back from my July vacation, they had removed the low man in the department to another department, which placed me in the low spot. Then they called me in and told me I was low man, which I was. I had had an operation for my eye, on my right eye in February, and I was out until May of that year. I had a detached retina, a torn retina, and was practically blind in my right eye.

When I came back in May, my doctor advised, and they had a copy of the letter, that I couldn't move too fast on the floor due to the fact that it may injure the eye again, or I couldn't stoop too quickly. In the department I found it very difficult to get over the floor. In other words, it was a fast moving department.

Senator CURTIS. What is your age, Mr. Webber?

Mr. WEBBER. Fifty-seven, sir.

Senator CURTIS. Were you able to share in the profit-sharing?

Mr. WEBBER. I shared in the profit sharing all the years.

Senator CURTIS. How many years altogether did you put in there?

Mr. WEBBER. With the company or in the profit-sharing?

Senator CURTIS. Both.

Mr. WEBBER. Well, when I went into the profit sharing, you had to be there a year before you could participate in it. So it is just a year less than my service.

Senator CURTIS. Roughly how many years was it?

Mr. WEBBER. Well, I would say close to 26 years.

Senator CURTIS. Did you lose that?

Mr. WEBBER. No, no. I got my profit sharing.

Senator CURTIS. Would you mind telling us how much you got?

Mr. WEBBER. No. I don't mind telling you at all.

Senator CURTIS. If you feel it is a personal matter, I shall not press it.

Mr. WEBBER. I received the stock, and the way it has been going down lately, I just don't know what I have.

Senator CURTIS. What did you receive? What was the value of it at the time you received it?

Mr. WEBBER. Well, I will tell you. There was two ways. The Federal Government requires that you list when paying your tax based on the difference of what you put in and the actual average cost per share. But the State of Massachusetts requires when you take your profit sharing out, that you pay the whole thing. They base their tax on earned income, rather than the Federal Government. I know my earned income with the State of Massachusetts was around \$39,000. I had to pay income tax on that amount.

Senator CURTIS. The value of the profit sharing that you got?

Mr. WEBBER. I had to pay an income tax in the State of Massachusetts on \$39,000.

Senator CURTIS. In 1 year?

Mr. WEBBER. That is right. Good, old Massachusetts took the tax on \$39,000.

Senator CURTIS. When was that withdrawn?

Mr. WEBBER. Well, I received it about 10 days after I was discharged in 1953. It came in the year of 1953 for tax purposes.

Senator CURTIS. Were you able to participate again?

Mr. WEBBER. When I came back; yes. When I came back, they took me in profit sharing again. But when I was discharged—when I was taken back, the point I brought up before the National Labor Relations Board is, I lost the momentum. I was ordered back by the National Labor Relations Board, but there was a tremendous loss to me of the momentum of that trust fund. Had I not been discharged, and that trust fund still would have been in effect, my profit sharing would have been a lot more.

Senator CURTIS. But it amounted to \$39,000 the way the State of Massachusetts figured it?

Mr. WEBBER. Yes.

Senator CURTIS. And that included what you had put in and—

Mr. WEBBER. And the company's contribution, and the earnings, and the natural advancement of stock, and the splits over the years.

Senator CURTIS. And then you were in about 3 or 4 years after that?

Mr. WEBBER. After that?

Senator CURTIS. Yes.

Mr. WEBBER. No. I was only back about a year the second time.

Senator CURTIS. I thought you went back in 1954.

Mr. WEBBER. No. I didn't go back until 1955, sir.

Senator CURTIS. I see. But you drew wages?

Mr. WEBBER. Do you mean during the time I was out?

Senator CURTIS. Yes.

Mr. WEBBER. During the interval—

Senator CURTIS. Didn't the NLRB order wages?

Mr. WEBBER. Yes. According to the NLRB, as I understand it, if you make that money elsewhere, the company doesn't owe you anything. But I had gone into the building business and made a loss, so that the company owed me the whole thing.

Senator CURTIS. Well, I hope Massachusetts didn't get all that.

Mr. WEBBER. Massachusetts certainly did.

Senator CURTIS. That is all.

The CHAIRMAN. Are there any other questions?

Mr. KENNEDY. I have just a couple of questions.

After you voted in 1953, or recommended, the affiliation with the retail clerks, did you receive any change in salary at that time?

Mr. WEBBER. I did, sir; the next night after that meeting in which I recommended the affiliation. At that meeting I was called to the platform. I recommended the affiliation with the A. F. of L. I criticized Mr. McDermott for his interference in the internal affairs of our union, and I gave a brief history of the council from its formation. The next night I was called in by Mr. Fick, the store manager, and relieved of the \$20 that I was receiving as a backup man.

Mr. KENNEDY. That was \$20 a week?

Mr. WEBBER. \$20 a week.

Mr. KENNEDY. So you received a reduction in salary of \$20 a week?

Mr. WEBBER. That is right.

The CHAIRMAN. Do you attribute that to your speech at the council meeting?

Mr. WEBBER. I believe it was, sir.

The CHAIRMAN. Was any other reason assigned?

Mr. WEBBER. No. He told me when he called me in, he said—do you wish me to give you the conversation?

The CHAIRMAN. I don't know how long it is.

Mr. WEBBER. It will not be long, no.

The CHAIRMAN. All right, briefly.

Mr. WEBBER. He said, "I called you in here. You have been on our books for a long time as backup man. I am going to take you off it at the end of the period."

He said, "We are going to have Mr. DeStefano as a full-time backup man."

Then he said, "Roy, why did you go over with the American Federation of Labor?"

I said "I went over there so that the people would still have a bargaining unit because the council is falling to pieces."

I said, "I am not an officer in the union, but I recommended its becoming an affiliate."

He said, "You did more than recommend it, you led it."

The CHAIRMAN. "You led it"?

Mr. WEBBER. "You led it." I didn't say anything, but mentally I agreed with him.

Senator McNAMARA. Will the witness tell us what a backup man is?

Mr. WEBBER. Well, backup man is somebody that the management can raise hades with when the division manager is out. In other words, when the division manager is away from the department, he is the man responsible in the department should the management require some information or want some jobs done pertaining to that one department. In other words, he is the next in line, practically, to the division manager.

Senator McNAMARA. You back up the division manager, is that it?

Mr. WEBBER. That is right.

The CHAIRMAN. Is there anything further?

Senator CURTIS. Is the backup man part of management?

Mr. WEBBER. Well, we didn't consider him so in the council. But at the last election, from a decision handed down by the NLRB, the backup men in the departments were excluded from voting in the election because of their closeness to the management.

The CHAIRMAN. Is that all?

Thank you very much.

The committee will stand in recess until 2 o'clock Monday afternoon.

(Whereupon, at 12:55 p. m., the committee was recessed, to reconvene at 2 p. m. Monday, October 28, 1957.)

(Committee members present at time of recess: Senators McClellan, McNamara, Ervin, and Curtis.)

INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

MONDAY, OCTOBER 28, 1957

UNITED STATES SENATE,
SELECT COMMITTEE ON IMPROPER ACTIVITIES
IN THE LABOR OR MANAGEMENT FIELD.

Washington, D. C.

The select committee met at 2 p. m., pursuant to Senate Resolution 74, agreed to January 30, 1957, in the caucus room, Senate Office Building, Senator John L. McClellan (chairman of the select committee) presiding.

Present: Senator John L. McClellan, Democrat, Arkansas; Senator Irving M. Ives, Republican, New York; Senator Pat McNamara, Democrat, Michigan; Senator Sam J. Ervin, Democrat, North Carolina; Senator Barry Goldwater, Republican, Arizona; Senator Carl T. Curtis, Republican, Nebraska.

Also present: Robert F. Kennedy, chief counsel; Pierre E. G. Salinger, investigator; Walter Sheridan, investigator; Ruth Young Watt, chief clerk.

The CHAIRMAN. The committee will be in order.

(Members of the select committee present at the convening of the session were Senators McClellan, Ives, McNamara, Goldwater, and Curtis.)

The CHAIRMAN. All right. Call the witness.

Mr. KENNEDY. Mr. James Neilsen.

The CHAIRMAN. Mr. Neilsen come forward, please.

You will be sworn. You do solemnly swear that the evidence you shall give before this Senate select committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. NEILSEN. I do.

TESTIMONY OF JAMES T. NEILSEN, ACCOMPANIED BY HIS COUNSEL, STAMFORD CLINTON

The CHAIRMAN. State your name, your place of residence, and your business or occupation.

Mr. NEILSEN. James T. Neilsen. I am a labor relations consultant. I live at 39 Williamsburg Road, Evanston, Ill.

The CHAIRMAN. You have counsel with you, Mr. Neilsen, to represent you?

Mr. NEILSEN. Yes, I do.

The CHAIRMAN. Mr. Counsel, identify yourself for the record, please.

Mr. CLINTON. Stamford Clinton, of Chicago, Ill., Mr. Chairman.

The CHAIRMAN. Thank you very much.

All right, Mr. Counsel.

Mr. KENNEDY. Mr. Neilsen, you have been with Labor Relations Associates, have you?

Mr. NEILSEN. Yes, sir.

Mr. KENNEDY. Are you still with them?

Mr. NEILSEN. I am, sir.

Mr. KENNEDY. You still work for Mr. Shefferman?

Mr. NEILSEN. Right.

Mr. KENNEDY. Out of the Chicago office?

Mr. NEILSEN. That is right.

Mr. KENNEDY. You have been with him for how long?

Mr. NEILSEN. A little over 14 years.

Mr. KENNEDY. Fourteen years?

Mr. NEILSEN. Right.

Mr. KENNEDY. And you have always operated out of the Chicago office, have you, for him?

Mr. NEILSEN. That is right, sir.

Mr. KENNEDY. Who has been giving you your assignments? Mr. Shefferman personally?

Mr. NEILSEN. Well, case assignments sometimes we get from him. I mean, if the company has a problem, we are assigned that problem to go in and handle it for the company. Sometimes we get them from Shelley—that is, Shelton Shefferman—and the way that is done, at least as far as I am concerned, is that you are given the name of the company that has got a problem, and then you go and meet the company and talk to them about whatever the problem may be.

Mr. KENNEDY. Does he give you any instructions as to how the matter should be handled?

Mr. NEILSEN. Well, he hasn't given me any for a long time.

Mr. KENNEDY. You just go in and handle it the way you see fit?

Mr. NEILSEN. That is right. We handle them according to the general policies of our organization. Generally, the men who go out in the field are expected to know our general policies.

Mr. KENNEDY. Did Mr. Shefferman give you the directive on what your general policy should be?

Did he give you instructions?

Mr. NEILSEN. Well, you learn that just by being in our office over a period of time. We don't sit down too often and talk about those policies. You just kind of learn that by being around.

Mr. KENNEDY. You just learn what to do by being around?

Mr. NEILSEN. No. You learn the general policies and principles. We discuss them and so on, but we don't sit down and say, "Here is a principle and a policy to follow on certain kinds of cases." I mean, we don't have that type of approach.

Mr. KENNEDY. Had you had any experience in the labor field prior to going to work for Mr. Shefferman?

Mr. NEILSEN. Yes, I had, sir.

Mr. KENNEDY. What kind of work had you been doing?

Mr. NEILSEN. I had been handling labor negotiations problems.

Mr. KENNEDY. As an attorney?

Mr. NEILSEN. I beg your pardon?

As an attorney; that is right.

Mr. KENNEDY. When you go into these areas—for instance, in Boston, you used a name other than James D. Neilsen?

Mr. NEILSEN. That is right.

Mr. KENNEDY. You used the name of Mr. Guffy?

Mr. NEILSEN. That is the name I used when I first went to Boston.

Mr. KENNEDY. Then you used another name?

Mr. NEILSEN. That is right, sir.

Mr. KENNEDY. What name did you use later?

Mr. NEILSEN. Warren. I think it was Fred Warren.

Mr. KENNEDY. Fred Warren?

Mr. NEILSEN. That is right.

Mr. KENNEDY. Any other name up in Boston?

Mr. NEILSEN. I don't think so.

Mr. KENNEDY. What about other areas you have been into?

Mr. NEILSEN. I think I have just had different names, probably 5 or 6 in the 14 years.

Mr. KENNEDY. What?

Mr. NEILSEN. I have used 6 names, I think, roughly that, in the 14 years that I have been with Mr. Shefferman. In other words, on 5 or 6 occasions, something like that.

Mr. KENNEDY. What other names have you used?

Mr. NEILSEN. Frankly, I don't remember right now.

Mr. KENNEDY. How about Jim Edwards? Did you use Jim Edwards?

Mr. NEILSEN. Yes, sir.

Mr. KENNEDY. Where did you use Jim Edwards?

Mr. NEILSEN. I used that in McAllister, Okla., I believe.

Mr. KENNEDY. In connection with what case was that?

Mr. NEILSEN. Seampruf.

Mr. KENNEDY. Seampruf?

Mr. NEILSEN. Right. Seampruf or Sealpruf. I was only down there a day or two. I don't remember the company too well.

Mr. KENNEDY. Were they having difficulty with the union there?

Mr. NEILSEN. They had been having difficulty there for 6, 8, or 10 years, constantly. That wasn't anything new.

Mr. KENNEDY. Did you go down to set up a vote "no" committee?

Mr. NEILSEN. No, sir. I went down to see what was going on, and to talk with the manager of the company and talk to one of our men who was already down there. I talked with an attorney in town by the name of Mr. Jones. I think his name is. He had really the vote "no" committee going at that time, to some extent. I talked to him about the vote "no" committee. And if he hadn't had it, I probably would have assisted him to set it up.

Mr. KENNEDY. Did you ever use—

Mr. NEILSEN. Let me ask you, sir, or maybe I am too early on it. I would like to explain before we go too far—

(The witness conferred with his counsel.)

Mr. NEILSEN. I wanted to explain what the vote "no" committee is sometime.

Mr. KENNEDY. You can go ahead now, if you would like to.

The CHAIRMAN. If you would like to, explain what a vote "no" committee is. You may do so. Go ahead.

Mr. NEILSEN. I would like to explain that, honestly. I have been hearing conversation about it, and I would like to explain a little bit about it.

The CHAIRMAN. All right.

Mr. NEILSEN. In the places where I have used it, and that is all I can speak of firsthand, it is a situation like this: We go into a town where there is a union drive on. It can be an extensive drive, depending upon how many union organizers are sent on the case. We talk—the first thing I do when I get into town on a case like that is I talk to company supervision, particularly top management in the area, the management of the factory or whatever it may be, and I ask him, “Are there any people that have come to you, and who are the people who have come to you, and asked for help in the face of this union drive?”

I say, “Has anybody been intimidated at their homes? Have they had threats, force, or have they asked you for your help?”

I say, “If anybody has come to you and asked your assistance or help, that is the people I want to see.”

The reason for that is I feel definitely that when there is a union drive on, the people who want the union have the union organizers and the union committees to go to for their assistance and counsel, whereas the people who do not belong to the union and who don't want the union go to the superintendent or the foreman or the plant manager, and the plant manager, superintendent and foreman turn them down. They are afraid to talk to them. So the poor people haven't any place to go for any advice, counsel, or anything.

I feel that I am rendering those kind of employees a real service in this country by giving them—by sitting down and giving them advice and counsel. You should see the faces on those people the first time they meet with me.

Mr. KENNEDY. We have heard about some of them.

Mr. NEILSEN. Maybe so.

Mr. KENNEDY. Have you used any other names when you have been setting up these vote “no” committees other than Guffy, Warren, Edwards?

Mr. NEILSEN. I don't recall. Maybe I have. I have used several other names.

Mr. KENNEDY. How about Jim Neil?

Mr. NEILSEN. Yes: I certainly did.

Mr. KENNEDY. Where did you use that?

Mr. NEILSEN. I used that in Austin, Ind.

Mr. KENNEDY. Where?

Mr. NEILSEN. Austin, Ind.

Mr. KENNEDY. What were you doing there?

Mr. NEILSEN. I was fighting an organization drive by the teamsters.

Mr. KENNEDY. And were you setting up a vote “no” committee down there?

Mr. NEILSEN. Yes. I didn't set it up. The people set it up themselves.

Mr. KENNEDY. With your help?

Mr. NEILSEN. The only help I give them is advice and counsel on how to set it up. We can't possibly set up a vote “no” committee. People will come to us for advice and counsel and I tell them the only

way to fight a large campaign of a large union is to sit down with us and talk and we tell them how to organize a campaign against the campaign by the union. They have to do it themselves. If they are not interested in fighting a union, I might as well get out of town. They have to be interested in fighting it themselves, and then they have to do the work themselves, just like the union people get the union people to call on the homes and get the workers. That is exactly the kind of campaign that the vote "no" committee does.

Mr. KENNEDY. Do you pay any of these people money for that?

Mr. NEILSEN. I pay them for any expenses they entail, whether it is publishing things, taking people to dinner, going out to meet the people at their homes. I try to meet the same kind of a campaign that the union does. The union entertains them, pays them expense money, pays them to go out and go to people's homes. I reimburse them in the same certain sense.

Mr. KENNEDY. Is that out of your own personal money?

Mr. NEILSEN. No. I bill that to the company under expenses.

Mr. KENNEDY. Why doesn't the company set it up directly and say, "We want to help these people"?

Mr. NEILSEN. That is what I am doing for them.

Mr. KENNEDY. Why don't they do it directly? Why do you go in and use aliases, and why don't you just make your presence known, say, and put a little sign up and say, "Come and see me if you want to be against the union?"

Mr. NEILSEN. The reason I don't want to have my name known in those places where I used different names is that international union men all around the country have known me for years. For the first 6 or 7 years I was with Mr. Shefferman, I didn't do hardly anything except negotiate all through the country in behalf of Sears, Roebuck. I met a great many union people and there are lots of them that are friends of mine. I didn't feel that it was necessary for me to jeopardize my relationship with other places or to cause a different issue to be made in the place where I am. They would immediately make an issue of me instead of the issue of, Do these people want this union? That is the issue we are faced with, Do they want this union in there? It isn't whether I am on the job or not, but it would be immediately made an issue concerning me personally.

Mr. KENNEDY. It never occurred to you that what you were doing was in violation of the Taft-Hartley Act?

Mr. NEILSEN. Sir, I don't think it was, and I don't think it is.

Mr. KENNEDY. Did you tell these people when you were up in Boston that they should keep quiet about what they were doing, because it was in violation of the Taft-Hartley Act?

Mr. NEILSEN. I don't recall making that kind of a statement.

Mr. KENNEDY. Do you think you might have said anything like that?

Mr. NEILSEN. I don't think I said anything about the Taft-Hartley law. I don't remember anything like that.

Mr. KENNEDY. You know that 1 or 2 of them testified?

Mr. NEILSEN. I know, I read the record this year.

Mr. KENNEDY. You say that never happened?

Mr. NEILSEN. It is my best recollection that that never happened, for this reason: I don't think it does violate the Taft-Hartley law.

Mr. KENNEDY. Of setting up these committees and having the companies finance them?

Mr. NEILSEN. I don't set them up. They set them up after I advise and counsel how to do it.

Mr. KENNEDY. Mr. Neilsen, you get the names from the company.

Mr. NEILSEN. No. The people come to me.

Mr. KENNEDY. Who sends them to you?

Mr. NEILSEN. I tell the company to send people to me, a few people, not very many, but send somebody to me who has come to them for advice and counsel and help in facing some problem, and who have been turned down and have no place to go, so they come to me and I counsel with them.

Mr. KENNEDY. So they go to James Neilsen and he counsels with them and he suggests to them that they set up a committee?

Mr. NEILSEN. I tell them if they want to go against the union, the way to do it is to set up their own committee and fight the problem as the union is fighting the problems themselves.

Mr. KENNEDY. And that is all going to be financed by the company?

Mr. NEILSEN. I don't necessarily tell them that, but it is.

Mr. KENNEDY. It is all financed by the company, your salary up there, your expenses?

Mr. NEILSEN. Yes.

Mr. KENNEDY. You pay these people individually?

Mr. NEILSEN. I reimburse them, sir.

Mr. KENNEDY. You give them money? Every week you give them money?

Mr. NEILSEN. I reimburse them.

Mr. KENNEDY. It is not reimbursement. You gave them \$20 or \$30 a week.

Mr. NEILSEN. No, it is reimbursement.

Mr. KENNEDY. Is it reimbursement for going out and seeing people?

Mr. NEILSEN. I don't pay them for coming down and seeing me.

Mr. KENNEDY. You pay them for whatever use they want to make of the money, whether it is expenses money or not?

Mr. NEILSEN. No.

Mr. KENNEDY. Haven't there been cases when you have paid these people \$20, \$30, or \$50 a week for being in favor of the vote "no" committee?

Mr. NEILSEN. No, sir.

Mr. KENNEDY. Have you paid any of them any money?

Mr. NEILSEN. Sure, I have paid lots of people money for reimbursement for expenses they incurred.

Mr. KENNEDY. What kind of expenses would these people have?

Mr. NEILSEN. They would have the same kind of expenses as the people who are trying to bring the union in. They will have dinner expenses for people, to talk to them, transportation expenses to go to their homes, they will have circulars to meet the union circulars. They will have meetings they want to put on.

Mr. KENNEDY. Do you know how much money you spent on entertainment in Boston alone for entertainment when you were there?

Mr. NEILSEN. I don't know. But my hotel bill was pretty heavy.

Mr. KENNEDY. How much do you think that amounts to? It was \$6,786 for entertainment while in Boston. How long were you up there?

Mr. NEILSEN. Six months, roughly.

Mr. KENNEDY. Who were you entertaining?

Mr. NEILSEN. A lot of that entertainment involved supervision. I had meetings in my hotel from early morning to late at night constantly all the time I was there. Sometimes I had 2 or 3 meetings at a time.

(The witness conferred with his counsel.)

Mr. NEILSEN. I had a suite there, in order to have several meetings going on at the same time. Sometimes I had a group of people that were fighting the union that had grievances of different kinds, that had nothing to do with this union problem, but they would talk with me about their grievances, unburden themselves about it, and I would listen to them like I would listen to anything else. Then I would talk to supervision about the grievances. These grievances didn't involve the people I was talking about, but involved anybody in the place that they felt needed somebody to counsel, advise, and help them.

Mr. KENNEDY. Did you get anybody else to counsel, help, and assist them?

Mr. NEILSEN. No; not that I recall.

Mr. KENNEDY. Did you get an attorney?

Mr. NEILSEN. I didn't get the attorney. They already had the attorney.

Mr. KENNEDY. They didn't always have the attorney?

Mr. NEILSEN. I said they already had the attorney when I came in.

Mr. KENNEDY. Who paid the attorney?

Mr. NEILSEN. To the best of my knowledge, I think the committee paid him some money, the committee themselves.

Mr. KENNEDY. Who paid him the most of this salary?

Mr. NEILSEN. Well, I paid him somewhere between \$3,000 and \$4,000 altogether.

Mr. KENNEDY. Then you paid him; did you not?

Mr. NEILSEN. Yes, but the main service, as far as I am concerned, that he rendered to me——

(The witness conferred with his counsel.)

Mr. NEILSEN. O. K.

Mr. KENNEDY. You paid him to advise the council, advice this committee, whatever it might be?

Mr. NEILSEN. No; that wasn't the main reason that he received that \$3,000 or \$4,000.

Mr. KENNEDY. Our figures show that he received from you \$3,350.

Mr. NEILSEN. \$3,350?

Mr. KENNEDY. That is above the \$6,766.40 for entertainment.

Mr. NEILSEN. All right. That could be right. I have never kept a record of how much he was paid.

Mr. KENNEDY. So who paid for the literature there?

Mr. NEILSEN. I did.

Mr. KENNEDY. You paid for that?

Mr. NEILSEN. To the best of my knowledge. They might have got some that I didn't pay for.

Mr. KENNEDY. Let's take Boston. When you went up there to Boston, who sent you up to Boston?

Mr. NEILSEN. Somebody from the parent company called the office and I was in California, and when I called in the office they told me that Sears wanted me to come out to Boston on a problem.

MR. KENNEDY. So you went up there?

MR. NEILSEN. So I went straight to Boston. I came to Chicago, repacked, and I went on to Boston.

MR. KENNEDY. Whom did you meet? Whom did you confer with when you got up there?

MR. NEILSEN. When I got to Boston?

MR. KENNEDY. Yes.

MR. NEILSEN. Well, I conferred with almost everybody in Sears' Boston, management, and also conferred with Walter Hook, who was in charge of labor relations.

MR. KENNEDY. There had been an employees' council, the Sears, Roebuck Employees Council, in existence?

MR. NEILSEN. That is right. I think that had existed about 15 years.

MR. KENNEDY. And they had voted to affiliate with the A. F. of L., the retail clerks, had they not?

MR. NEILSEN. You are talking about that January meeting in 1953?

MR. KENNEDY. Yes, just before you got up there.

MR. NEILSEN. The people I talked to said they didn't vote at that meeting. They said that was a rigged meeting, and the Labor Board has upheld that position, that that meeting was not a proper meeting.

MR. KENNEDY. Let's go back. When you first arrived there, at least, the information was that they had had a meeting, and that they had voted to affiliate with the retail clerks; had they not?

MR. NEILSEN. Well, yes, except the people didn't think it was a proper meeting.

MR. KENNEDY. And you met with some of these people?

MR. NEILSEN. Yes, just like I told you.

MR. KENNEDY. And then did you set up another council to deal with it?

MR. NEILSEN. No. They set their own council up.

MR. KENNEDY. Did you give them advice on setting up their own council?

MR. NEILSEN. I gave them counsel on how to do all of these things, but they had to do it themselves.

MR. KENNEDY. Did you get a list of the employees from them?

MR. NEILSEN. I beg your pardon?

MR. KENNEDY. Did you get a list of the employees?

MR. NEILSEN. It could be. I don't remember. It could be.

MR. KENNEDY. Did you check over the employees and find the ones that were pronounion and the ones that were against the union?

MR. NEILSEN. We would sit down frequently, as I recall, at meetings, and they would discuss the people. They would talk among themselves. I didn't know the people. They would talk: "Here is John Jones. Do you think we can talk to him? Here is so and so."

They talked among themselves about organizing against the unions, just like the union people would talk about who they could get to join the union.

MR. KENNEDY. This is a little bit different than that, because in the first place all of your activities were financed by the company. In the union, whatever they were doing, it was well known and established that what they were doing was union activities. What you were doing was for the company. There is all the difference in the world.

If the employees had set up their own committee, and doing this on their own, that is not the question. You attempted to make this appear as if it was an independent group acting independently from the company, a group of employees against the union. That was not true at all. Everything that you did was financed and directed by the company.

(The witness conferred with his counsel.)

Mr. NEILSEN. The group of employees I met with didn't want this union and neither did the company. There is no question about that. They had the same purpose and everything. But, on the other hand, I met with these people to counsel with them, and to give them the same kinds of financial assistance that the union gives to their people who go out and make their drive.

Mr. KENNEDY. That is fine, but it was not an independent council. They were going to the employees of Sears, Roebuck and selling this as an independent council, "Come with us, it is an independent council," when, in fact, it was all directed and financed by the company through you.

Mr. NEILSEN. Sir, it was financed so far as reimbursement. I just counseled with them.

Mr. KENNEDY. Counseled with them? You put their literature out, you paid them, you paid the attorney.

Mr. NEILSEN. They put it out.

Mr. KENNEDY. But you got the literature, you drew it up?

Mr. NEILSEN. I did very little on drawing it up. They drew it up themselves.

Mr. KENNEDY. You paid the attorney, you paid their leaders. You counseled the company on firing Roy Webber, did you not?

Mr. NEILSEN. No, sir.

Mr. KENNEDY. Did you know Roy Webber was being fired?

Mr. NEILSEN. I don't recall. I don't think I was even in the Sears Roebuck Boston picture when he was fired.

Mr. KENNEDY. You were not there?

Mr. NEILSEN. I beg your pardon?

Mr. KENNEDY. You knew he was fired for union activities?

Mr. NEILSEN. Only what I heard yesterday and rumored before. But I wasn't representing Sears Boston.

Mr. KENNEDY. But you knew at that time or you knew subsequently that was the reason he was fired?

Mr. NEILSEN. No, I never heard of that.

Mr. KENNEDY. Were you checking over? Did you know that there was a detective up there that was following and checking on the activities of those who were in favor of the union?

Mr. NEILSEN. No, sir.

Mr. KENNEDY. Did you know Mr. Okey?

Mr. NEILSEN. Yes, sir.

Mr. KENNEDY. Did you talk to Mr. Okey?

Mr. NEILSEN. No. I talked to him the last day I saw Mr. Miller. He happened to be going into an office when I did.

Mr. KENNEDY. Do you know Mr. Okey?

Mr. NEILSEN. Just by appearance.

(The witness conferred with his counsel.)

Mr. NEILSEN. But I have never had any conversations with him.

Mr. KENNEDY. What does Mr. Okey do?

Mr. NEILSEN. He is a private detective, as far as I know.

Mr. KENNEDY. From where?

Mr. NEILSEN. From Chicago.

Mr. KENNEDY. He was up in Boston?

Mr. NEILSEN. Yes, I understand he was.

Mr. KENNEDY. What was he doing in Boston?

Mr. NEILSEN. I understand he was there, so far as I am concerned, from what I know about it, he was there to find out about this sexual pervert that was in the Boston store.

Mr. KENNEDY. To check on some of the employees?

Mr. NEILSEN. No. There was somebody in the store in Boston, that people pretty well felt was a sexual pervert.

Mr. KENNEDY. Did it happen to be that this man that they were checking on also was one of the leaders for the retail clerks?

Mr. NEILSEN. I beg your pardon?

Mr. KENNEDY. Did it also happen that this man that they were checking on was also one of the leaders of the retail clerks?

Mr. NEILSEN. I understand he was.

Mr. KENNEDY. You don't think there is any connection between the two?

Mr. NEILSEN. Not according to my information. Let me tell you, when my people talked about it, that is the first thing I heard from the people I met, was about this man, the sexual pervert, and sexual perversion, before I even heard about it from the company. That is why I engaged this attorney to do what investigation he could on it.

Mr. KENNEDY. What about Mr. Webber? Did you know Mr. Okey was following Mr. Webber?

Mr. NEILSEN. I had no knowledge of that at all.

Mr. KENNEDY. What about Mr. Leiden?

Mr. NEILSEN. I had no knowledge.

Mr. KENNEDY. You didn't have anything to do with that?

Mr. NEILSEN. No, sir.

Mr. KENNEDY. And you would be surprised to know that the company was doing that as well as what you were doing?

Mr. NEILSEN. I didn't have anything to do with that and I didn't know anything about that.

Mr. KENNEDY. If the company was doing that, they were doing it on their own?

Mr. NEILSEN. They certainly weren't doing it through me. I never heard about it in our organization.

Mr. KENNEDY. Did you ever write any letters or give the council any advice, the council you were working with, any advice on the letters that they should write to the Sears, Roebuck Co.?

Mr. NEILSEN. I don't recall.

Mr. KENNEDY. Are you familiar with this letter, or these two letters?

The CHAIRMAN. The Chair hands you a document here, of three pages, handwritten, which does not appear to be signed, but I will ask you to examine it and state if you identify it.

(A document was handed to the witness.)

Mr. CLINTON. May we have the question again?

The CHAIRMAN. I asked him to examine it and see if he identified it. I did not see any signature on it and I do not know whether he is familiar with the document or not.

Mr. NEILSEN. It is very difficult for me to read this writing. I don't recognize the writing and I don't recognize the document, from what I can see here.

The CHAIRMAN. You do not recall having seen the document before?

Mr. NEILSEN. I may have and I don't recall by looking at it now.

The CHAIRMAN. You did not prepare the document?

Mr. NEILSEN. To the best of my knowledge I had nothing to do with the preparation of it.

The CHAIRMAN. Is that your handwriting?

Mr. NEILSEN. No, sir.

The CHAIRMAN. All right, that document may be made exhibit No. 20.

(The document referred to was marked "Exhibit No. 20" for reference and may be found in the files of the select committee.)

The CHAIRMAN. It is for reference only and I do not want to put it in the record.

Mr. KENNEDY. You are not familiar with this letter at all?

Mr. NEILSEN. I don't recall it.

Mr. KENNEDY. Do you know if any arrangements were made for this council you were working with, to write a letter to the Sears, Roebuck Co. and say and set forth certain facts, and say that they were afraid that the Sears, Roebuck Co. might bargain with the retail clerks and that they did not want them to do that and then the company writing back a letter?

Mr. NEILSEN. I recall—excuse me. I thought you were through.

Mr. KENNEDY. That is all.

Mr. NEILSEN. I recall some of the committee meetings I had with these people I have been meeting with, discussing that, but I don't recall what was done about it. It was brought up in general conversation along that line, but I don't remember anything further done about it.

Mr. KENNEDY. Now, was the Shefferman organization writing the letters for the council as well as writing the letters for Sears, Roebuck in reply to the letters from the council?

Mr. NEILSEN. No, sir; not to my knowledge.

Mr. KENNEDY. This letter is taken from the files of Shefferman, in Chicago.

Mr. NEILSEN. I don't know who wrote it and I have no information about who wrote it.

Mr. KENNEDY. It is a letter, a rough copy of a letter from the council to the Sears, Roebuck store, and then a rough copy of the reply from Sears, Roebuck to the council and it is all in the same handwriting.

Mr. NEILSEN. I don't recall anything about it at all. I do recall conversation about it, but I doubt if I was present when it was drawn up.

Mr. KENNEDY. You assisted the council, did you not, in writing their letters?

Mr. NEILSEN. I counseled with them on writing pamphlets and things and I do not recall assisting them on writing letters, but perhaps I did, and I just don't recall it.

Mr. KENNEDY. So you were really operating from both sides, were you not, operating and advising the company and you were being paid by the company?

Mr. NEILSEN. Wait a minute.

Mr. KENNEDY. You were having conferences with the company, were you not?

Mr. NEILSEN. My conferences with the company were practically entirely engaged——

Mr. KENNEDY. What is that?

Mr. NEILSEN. With the company that I had out there, had to do almost entirely with different kinds of grievances that these people I met with had.

Mr. KENNEDY. You were being paid by the company and you were brought in there by the company and what this council was was really a figment of the company and it was certainly grossly misleading to the employees of Sears, Roebuck.

It must have been. It was nothing more than an operation that was set up and established by the company to try to keep the people away from joining the AFL Retail Clerks.

Mr. NEILSEN. Well, sir, that is where we disagree.

Mr. KENNEDY. How could you advise them both?

Mr. CLINTON. I think he should be permitted to answer.

Mr. NEILSEN. In my opinion, the council was a group of employees who did not want, on their own, they did not want the clerks and that is certainly the way they always talked with me. I can even add that at my first few meetings, or a number of meetings, I had with these people, they were afraid to fight the clerks because they thought some of the people in Sears locally, were in favor of the clerks.

The CHAIRMAN. The real issue here is, were you setting this up? While you say they set it up and you advised them?

Mr. NEILSEN. I advised them on it.

The CHAIRMAN. You counseled with them to set up a council or committee that had this outward appearance and its purpose was to pretend it was not associated with the company, but on their own initiative they were opposing the union?

Mr. NEILSEN. That is right, sir.

The CHAIRMAN. When in fact as to the people that they approached and in their work and in your work, you did not let it be known that your operations were being financed by the company. That is a fact, is it not?

Mr. NEILSEN. Yes, the people on my committee. The people I was working with knew.

The CHAIRMAN. But actually, it amounted to a front organization or group for the company.

Mr. NEILSEN. No, that isn't it, sir, honestly. It was their own organization that they were fighting for themselves. If I had not been there, my guess would be someone in that group eventually would have had the courage and the stamina to do what they did with my counsel and advice.

Senator McNAMARA. You have tried to tell the committee now for the record that your interests were just working with the committee?

Mr. NEILSEN. That is right, sir, and I worked for the employer, too, of course, and I counseled the committee, but I was hired by the employer.

Senator McNAMARA. You were hired by the employer to deal with some of his employees, and you were doing just that?

Mr. NEILSEN. That is right.

Senator McNAMARA. You were dealing with the employees in the interest of management?

Mr. NEILSEN. That is right.

Senator McNAMARA. Then you seem to try to take the position that you were not an agent of management.

Mr. NEILSEN. No, sir; I was an agent of management, but while I was dealing with the employees, I was dealing with them in their own interest. The interests were the same.

Senator McNAMARA. What would motivate that on your part?

Mr. NEILSEN. Because they were opposed to the union and I feel people who are opposed to union should have the same rights of advice and counsel and help as people who are for a union.

Senator McNAMARA. And this is just coincidental that the management was paying you to feel that way in this case?

Mr. NEILSEN. No, because if the management had not paid me, I would not have had a chance to meet with the people. That is why I was there.

Senator McNAMARA. I was quite interested in your definition of the vote "no" committee that you wanted to get into the record. I suppose you are defining this for the Shefferman organization and not just for your own viewpoint?

Mr. NEILSEN. I am defining it, that is the way I understand it, and that is the way I have worked.

Senator McNAMARA. After being an employee of the Shefferman company for 14 years, then you get your information largely from the activities of that company.

Mr. NEILSEN. Of course I don't know how every man operates in detail when I am not there, but I think most of them operate like this.

Senator McNAMARA. Now, you said that the committee was set up to work with employees so they would have a fair chance in opposition to the union, if that was their viewpoint.

Mr. NEILSEN. Yes, sir.

Senator McNAMARA. However, we find the Shefferman company in the case of the Morton Co. out in Iowa, representing to the employees' committee that they should join a certain union.

Mr. NEILSEN. In my opinion, the employees' interests and the company's interests, in that case, were identical and I was not in the case but I feel that it is very possible and very probable that if the employees there had not joined the union out there, there would not have been any plant for the management or the employees either one.

Now, I may be wrong, but I feel the interests were the same there.

Senator McNAMARA. Before a certain date, I think it was in December of that year, the services of the Shefferman company were used to oppose any union.

Mr. NEILSEN. That I don't know, and I wasn't there.

Senator McNAMARA. The record so shows, and you have read the record?

Mr. NEILSEN. Yes.

Senator McNAMARA. Then, as of a certain time when this parent company came into the picture, the policy was to sell a certain union to the employees. The Shefferman firm completely reversed, fighting the union one day and the next day they were all for the union.

Mr. NEILSEN. Let me answer that by telling you, if I had been there to meet that situation personally, what I would have done.

Senator McNAMARA. I think that is incidental, but what I am trying to do is fit this into your definition of the vote "no" committee, and it is a little hard to fit in.

Mr. NEILSEN. Because the interests are the same there, too. If they had not voted for the union, the chances are they would not have had a plant there. It was to their interest as well as the company, because it looked like the plant was going to be closed. It would be closed by the union in their drive.

Senator McNAMARA. I understand.

Mr. KENNEDY. You were at Mortons, yourself, were you?

Mr. NEILSEN. I was there one day, I think, on two different occasions, something like that.

Mr. KENNEDY. And you met with Mr. Merle Smith there, did you?

Mr. NEILSEN. Yes, sir.

Mr. KENNEDY. According to Mr. Merle Smith's testimony before the committee, you suggested to him to set up a phoney negotiating committee, and act as if the employees were actually negotiating a contract which had already been negotiated and signed by the higher officials of the company and of the union?

Is that part of your operation?

Mr. NEILSEN. I don't recollect that at all. And I remember I talked to Merle Smith about his testimony afterward and I told him I didn't recollect anything like that. And I met with Merle Smith when I got out there, expecting the contract had already been negotiated and we were supposed to talk about the contract.

When I got out there, I found this was all signed and delivered and so my purpose in going there that day was to meet with the company and tell them how to get along under the contract.

They had never had one before and to meet the local people and the local union committee, officials and Mr. Merle Smith, and go over some of the clauses in the contract. I don't recall that conversation.

Mr. KENNEDY. Did you set up a vote "no" committee at the Englander Co.?

Mr. NEILSEN. Yes, sir.

Mr. KENNEDY. That is 1953?

Mr. NEILSEN. That is right, sir.

Mr. KENNEDY. Do you know a Floyd Norman Lewis?

Mr. NEILSEN. I think he was the personnel director there, or personnel assistant there.

Mr. KENNEDY. Did you ever recommend that any of those who were in favor of the union be beaten up by the goons?

Mr. NEILSEN. Never, sir.

Mr. KENNEDY. Are you familiar with the affidavit that Mr. Lewis filed with the National Labor Relations Board?

Mr. NEILSEN. No, sir.

Mr. KENNEDY. In which he said, while working with you, you made such a suggestion, that these employees, those in favor of the union—

Mr. NEILSEN. It is certainly false, and we don't operate like that anywhere.

Mr. KENNEDY. You cannot remember that?

Mr. NEILSEN. No, sir.

Mr. KENNEDY. That is not true?

Mr. NEILSEN. That is not true. I did not do it.

Mr. KENNEDY. This is an affidavit from Lewis, and you are welcome to examine it, but it says:

Waterman was the company official. The day after Cooper—he was the employee of the Englander Co.—

was fired, he told me that he just came from a meeting at which Jim Neilsen was present. Neilsen expressed satisfaction about Cooper being fired, stating that he had been making plans to have Cooper beaten up and had contacted a couple of fellows to do the job, but he was glad it happened this way because that was risky business.

Neilsen said that plans were also made to have Starmach also beaten up.

The CHAIRMAN. That is in an affidavit filed before the National Labor Relations Board, by this employee, in which he apparently, as I understand it, is accusing you of having made plans, according to your own statement, to have these people beaten up.

Mr. NEILSEN. Sir, it is not true.

The CHAIRMAN. You say that affidavit is false?

Mr. NEILSEN. Yes, sir; in respect to that, it is false.

The CHAIRMAN. It did not happen?

Mr. NEILSEN. No, sir.

The CHAIRMAN. There is no objection to your seeing it if you want to see it.

Mr. NEILSEN. No; I just don't make that kind of statement, and I know it is false.

The CHAIRMAN. All right, proceed.

Mr. KENNEDY. You have had some difficulty with the law, yourself, have you not, Mr. Neilsen?

Mr. CLINTON. Mr. Chairman, this question was put to this witness in my office and it was answered responsively. It serves no legislative purpose at all to procure the answer to it. The fact is in the committee's records and I see nothing but just plain brutality in bringing it out at this time, and this place.

The CHAIRMAN. Well, now, we have this problem: We have been showing in the course of these hearings that people who are employed or sometimes appointed officials and so forth of unions are people who have bad reputations, have been convicted of crime and been charged many times.

We have been a little bit critical of it. I have, I am sure. Possibly other members of this committee have been of that class of people, people with such background as that being placed in a position of authority and trust with respect to union members.

I do not want to discriminate, but I want to be just as fair with one as the other. I do not even know what the answer is. When we have labor people in here or their representatives in here, if we are

going to show their background I see no reason why we should not show the background of business people, particularly those representing business who are employed to oppose unionism.

Mr. CLINTON. May I just say, Mr. Chairman—

Mr. KENNEDY. The reason I asked the question is that on two matters of some importance Mr. Neilsen has said he can't remember the connection with Roy Webber and in connection with two matters, and then the third matter he denied, and we are going to have some testimony on these things as we go along.

The question of the credibility of the witness is a matter of some importance, I believe. But I will discuss it with the chairman and for that reason I asked the question.

(A short recess was taken.)

The CHAIRMAN. Well, this presents a problem.

Mr. CLINTON. May I make an additional statement, Mr. Chairman?

The CHAIRMAN. You may in a moment. As far as actually serving a legislative purpose, my thought is, as we have been investigating the practices of certain unions and certain union officials and the employment and placing in position of authority of people with past criminal records, if it would not have any legislative purpose there, it would not have here.

If it has one there, it may have one here because when we go to legislate, I think maybe both sides of this issue, both the labor and the management side are going to receive some attention. I do not understand how we could very well have a rule to apply here when we are interrogating the labor people and then dispense with that rule when we go to interrogate those representing business or industry.

All right, you may make a statement, Mr. Counsel.

Mr. CLINTON. I do agree, Mr. Chairman, that certainly you and the distinguished members of the committee are entitled to know the facts and when the question was put it was answered responsively in my office as far back as May, so that you have a complete information about this particular witness.

But I do think that there are other considerations that you ought to bear in mind, and I respectfully suggest them for your consideration. This particular incident occurred some 18 years ago, and this man has been rehabilitated and he is living with a wife and his children and he has to bring them up.

To disclose it here would result in a kind of publicity which would be in effect, striking at his children and his wife. I do not see any value, or any necessity in the deliberations of the committee in that regard. I think it is unnecessary and it is brutal to do it. I hope that you will rule that the question need not be answered.

The CHAIRMAN. Well, the only thing I know to do is to hold a conference of the committee here at some time and discuss it. I do not want to take the full responsibility.

Can you proceed with some other questions?

Mr. KENNEDY. As far as I am concerned, it has been answered, that Mr. Neilsen did have some difficulty, and it was just prior to your going to work for Mr. Shefferman; was it not?

Now, we can leave it at that, and I don't care to pursue it beyond that.

Mr. CLINTON. Let us leave it at that.

Mr. KENNEDY. If the committee wants to leave it at that, I have no objection, but you did have some difficulty just prior to going to work for Mr. Shefferman.

The CHAIRMAN. For the present, go ahead and I want the committee to pass on it.

Mr. KENNEDY. Were you passing out membership cards for the membership council, Mr. Neilsen?

Mr. NEILSEN. You are talking about Boston?

Mr. KENNEDY. Yes.

Mr. NEILSEN. Yes; I had cards in the suite and when the committee would come in they could pick them up and take them with them and it was a handy place for them to pick up their cards.

Mr. KENNEDY. That was membership for this council, this supposedly employees' council of Sears, Roebuck?

Mr. NEILSEN. That is right.

Mr. KENNEDY. Now, there was an unfair labor practice charge brought in Boston in 1953?

Mr. NEILSEN. Yes, sir; I understand there was.

Mr. KENNEDY. And the name Guffy was brought up at that hearing, before the examiner; was it not?

Mr. NEILSEN. I understand it was.

Mr. KENNEDY. Your activities were discussed?

Mr. NEILSEN. I understand so.

Mr. KENNEDY. You were in Boston at that time?

Mr. NEILSEN. Yes, sir; I was in there during part of the hearing, I am sure.

Mr. KENNEDY. What kind of work were you doing then?

Mr. NEILSEN. Meeting with some of the committee on this problem.

Mr. KENNEDY. You were continuing the same operation that the Board was looking into at that time?

Mr. NEILSEN. I was. At that time, I was talking with them primarily about grievances in the place.

Mr. KENNEDY. But you were also looking into this same matter that you had been looking into, over 5 or 6 months?

Mr. NEILSEN. In my opinion, the time of the meetings I had in Boston, during the hearing and from then on, were primarily concerned, I think almost entirely concerned, with different grievance problems and so on.

Mr. KENNEDY. Didn't you meet with Mr. Giammasi during this period of time giving him advice on the continuation?

Mr. NEILSEN. Yes; I met with him.

Mr. KENNEDY. On the continuation of the committee, did you not?

Mr. NEILSEN. Yes; although it wasn't—

Mr. KENNEDY. Wasn't this during the same period of time in which the examiner from the National Labor Relations Board was having a hearing?

Mr. NEILSEN. During part of the time.

Mr. KENNEDY. What was your name then?

Mr. NEILSEN. Fred Warren.

Mr. KENNEDY. You had given up "Guffy" and you were now Fred Warren?

Mr. NEILSEN. Yes, sir.

Mr. KENNEDY. Were you at a different hotel?

Mr. NEILSEN. Yes, sir.

Mr. KENNEDY. You were meeting these same people at a different hotel under the name of Warren?

Mr. NEILSEN. Yes; I stayed in several hotels.

Mr. KENNEDY. While the National Labor Relations Board was examining into your activities under the name of "Guffy"?

Mr. NEILSEN. That part I didn't know.

Mr. KENNEDY. Did you know that the National Labor Relations Board was looking for you during that period?

Mr. NEILSEN. I heard rumors but no one told me definitely they were. The reason I moved from the hotel was because the people coming to my meetings felt they were being followed by other employees.

Mr. KENNEDY. The company knew that they were looking for you, did they not; Sears, Roebuck?

Mr. NEILSEN. I assumed so, but I wasn't advised they were looking for me.

Mr. KENNEDY. You said you heard rumors of it.

Mr. NEILSEN. Nobody told me definitely that the Board was looking for me, nobody from the Government.

Mr. KENNEDY. You never had any discussion about it and you never went down to the Board and said, "Can I throw light on this by telling you what was going on up here?"

Mr. NEILSEN. I did not.

Mr. KENNEDY. Did the company ever suggest that you do that?

Mr. NEILSEN. No, sir.

Mr. KENNEDY. They had you back there under the name of "Warren" pursuing the same activities, is that right?

Mr. NEILSEN. Well, I was back there and I was under the name of Warren while part of the Board hearing was going on.

Mr. KENNEDY. Where else did you set up vote "no" committees? You told us Englander, and where else?

Mr. NEILSEN. I believe in Louisville.

Mr. KENNEDY. What company down there?

Mr. NEILSEN. Pilcher, P-i-l-c-h-e-r, Co.

Mr. KENNEDY. Who was J. Smith down there?

Mr. NEILSEN. He was an attorney for the vote "no" committee.

Mr. KENNEDY. You paid the attorney down there?

Mr. NEILSEN. Yes, sir.

Mr. KENNEDY. Where else?

Did the company know you were doing this down there?

Mr. NEILSEN. I think so, the man who I worked under on that, the man I worked with, was the manager of that particular factory, but he is no longer with the company now, and I forget his name.

Mr. KENNEDY. Where else?

Mr. NEILSEN. Michigan City, Ind.

Mr. KENNEDY. What company there?

Mr. NEILSEN. Englander.

Mr. KENNEDY. Where else?

Mr. NEILSEN. Well, I told you about Austin, Ind.

Mr. KENNEDY. Any other places?

Mr. NEILSEN. I can't recall any others.

Mr. KENNEDY. What has been your relationship with Harold Gibbons?

Mr. NEILSEN. He has been a friend of mine for, I don't know, 8 or 10 years.

Mr. KENNEDY. Would you discuss these matters with him directly about your activities?

Mr. NEILSEN. When we were together we didn't discuss business unless I have a particular problem I ask advice on. We are friends.

Mr. KENNEDY. You handled the matter at Sears, Roebuck and St. Louis?

Mr. NEILSEN. Yes; I handled the negotiations there for them for a good many years.

Mr. KENNEDY. Have you had many conversations with Mr. Harold Gibbons on that?

Mr. NEILSEN. When I was down there handling the problems with his local 688, I used to talk to him very frequently. The negotiations were generally handled by his own negotiations committee and another man.

Mr. KENNEDY. As you know, you have a large number of telephone calls to Mr. Harold Gibbons.

Mr. NEILSEN. Sure; he is a friend.

Mr. KENNEDY. And entertainment of Mr. Gibbons.

Mr. NEILSEN. Certainly.

Mr. KENNEDY. That is all in connection with this Sears, Roebuck store and all charged to Sears, Roebuck.

Mr. NEILSEN. If it is charged to Sears, Roebuck store, it is in connection with Sears, Roebuck store.

Mr. KENNEDY. Entertainment of union officials, for instance here, April 23, 1953, \$139.

Mr. NEILSEN. That is probably right.

Mr. KENNEDY. That is Mr. Gibbons?

Mr. NEILSEN. Yes, sir.

Mr. KENNEDY. You must have 25 or 30 telephone calls to Mr. Gibbons.

Mr. NEILSEN. That could be.

Mr. KENNEDY. Did you talk to Mr. Hoffa at all?

Mr. NEILSEN. Your committee has asked me that a number of times and I don't ever remember talking to Mr. Hoffa on a telephone or otherwise. Now, if his name appears anywhere, I still don't think I ever talked to him about anything.

Mr. Hoffa would not know me if he were to walk in here and see me here.

Mr. KENNEDY. You do not remember talking to him in connection with Florence Stove Co.?

Mr. NEILSEN. No, sir; I would have no occasion to talk to him.

Mr. KENNEDY. You have it on your records that you made a telephone call.

Mr. NEILSEN. I don't know how that happened because I would have no reason to talk to him and he would not know who I was if I called him. My records must really be wrong. The only other thing that might have happened on that, and I remember talking to your committee about it, I did try to reach Gibbons on the Florence Stove matter and Gibbons wasn't in his office and I might have tried to reach Gibbons through Hoffa's office, to put it down that way, and I don't know.

Mr. KENNEDY. Was Gibbons' local involved in that matter?

Mr. NEILSEN. No, and I just wanted to talk to him for advice.

Mr. KENNEDY. On how you should handle the matter?

Mr. NEILSEN. No, on who he might know that I could meet, to help settle the 6-week strike.

Mr. KENNEDY. And it was settled, was it not?

Mr. NEILSEN. Yes; it was settled.

Mr. KENNEDY. When you got down there—

Mr. NEILSEN. Not with any help from Mr. Gibbons.

Mr. KENNEDY. But you were able to settle it?

Mr. NEILSEN. Yes, sir.

Mr. KENNEDY. I guess that is all. On the Boston situation, just to see if I am correct, the literature that was passed out by this employees' council was financed by the company and the lawyer for the council had his bill paid by the company and you paid the employees for whatever they did for the council, did you not, and you handed out these cards for the employees' council?

Mr. NEILSEN. That is a long statement.

Mr. KENNEDY. There are four things that I see here: The employees being paid; the employees that were the head of the council and ran this council were paid by you, is that right?

Mr. NEILSEN. Reimbursed, sir.

Mr. KENNEDY. The literature was financed?

Mr. NEILSEN. Yes, sir.

Mr. KENNEDY. And the lawyer was paid by you?

Mr. NEILSEN. He was paid for a number of things.

Mr. KENNEDY. \$3,500 he was paid by the company, and then the organizational cards were distributed by you.

Mr. NEILSEN. Well, I had them.

Mr. KENNEDY. Just answer the question.

Mr. NEILSEN. We sent them out, sure.

Mr. KENNEDY. And you say you know nothing about Roy Webber being fired, you never discussed that?

Mr. NEILSEN. I don't recall anything about that at all.

The CHAIRMAN. Senator McNamara?

Senator McNAMARA. Mr. Chairman, I want to say at the outset that I agree with your ruling that since we have asked previous witnesses about their past police records, that it is going to be a little hard for the committee to defend itself if charged with unfair practices if we deal differently with representatives of management. I might add in that regard that this witness we had before us made the statement that a private detective was hired to check on an officer of the Retail Clerks Union in this instance, and that he was checking on this party being a sex pervert. I think that was a little brutal, too. I think we have been quite brutal in the past. Since the pattern is already set, I want to say that I agree with you, even though it is brutal, that it would be improper for us to treat a representative of one side differently than we do the other. That is all.

Senator GOLDWATER. Mr. Neilsen, did I understand you to say that you are a lawyer?

Mr. NEILSEN. I was a lawyer.

Senator GOLDWATER. You had law training?

Mr. NEILSEN. Yes, sir.

Senator GOLDWATER. And you have been 14 years in labor-management relations?

Mr. NEILSEN. Yes, sir.

Senator GOLDWATER. Longer than that?

Mr. NEILSEN. Yes. I have been with Mr. Shefferman over 14 years, and I handled problems of this type before I came with Mr. Shefferman.

Senator GOLDWATER. My question is merely to clear up one point. I am afraid it might be left in people's minds, particularly reading the record without clarification, that what you did would be against the law for a company to do.

Are you acquainted with section 8 (c) of the Taft-Hartley law?

Mr. NEILSEN. Yes, sir.

Senator GOLDWATER. Is it not true that had Sears, Roebuck or any company—and it is Sears, Roebuck in this particular case—wanted to express views, arguments, or opinions or to disseminate them, or whether they were in writing or visual form, that they would have a right to do that under the Taft-Hartley?

Mr. NEILSEN. That is correct.

Senator GOLDWATER. I wanted to clear that up, Mr. Chairman, because I was afraid that it might rest in some people's minds that the company did not have the right to do that under the Taft-Hartley. They did not have that under the Wagner Act.

Mr. CLINTON. That is correct. It was doubtful.

May I add one short statement, Mr. Chairman? Absent the element of pressure and intimidation, absent the element of reward, it is very doubtful that it is against the law for an employer to finance a vote "no" committee.

The CHAIRMAN. Well, whether it is against the law or not against the law, the committee's purpose is to develop the facts and practices that are being engaged in today, and then to undertake in its best wisdom and judgment to make recommendations with respect to those acts that we think are improper.

Mr. KENNEDY. I would like to say, Mr. Chairman, that we had Mr. Bachman before the committee and we have looked into this matter. The setting up of a spontaneous committee, supposedly spontaneous, having it set up by the company and financed by the company is an unfair labor practice as far as the study and investigation we have made, and it is also sustained by Mr. Bachman, who used to work for Labor Relations Associations. I don't think there is any question but where a vote "no" committee, this type of operation, set up, which is supposed to be spontaneous, while, in fact, it is being run and operated by the company, is an unfair labor practice.

Mr. CLINTON. I disagree.

The CHAIRMAN. Lawyers often disagree. Call the next witness.

Mr. KENNEDY. Angelo Giammasi.

The CHAIRMAN. You do solemnly swear that the evidence you shall give before this Senate select committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. GIAMMASI. I do.

TESTIMONY OF ANGELO GIAMMASI

The CHAIRMAN. State your name, your place of residence, and your business or occupation.

Mr. GIAMMASI. My name is Angelo G. Giammasi, 7 Woodland Road, Hyde Park 36, Boston, Mass. I work for Sears, Roebuck, in the Brookline Avenue store in Boston. I am in the parts and services department.

The CHAIRMAN. Do you waive counsel?

Mr. GIAMMASI. I do.

The CHAIRMAN. Proceed.

Mr. KENNEDY. Mr. Giammasi, you were against the affiliation of the employees council with the retail clerks, is that right, in January of 1953?

Mr. GIAMMASI. I was.

Mr. KENNEDY. You attended the meeting and although the vote was some 9 to 1, you felt that more time should have been given to the opposition; is that right?

Mr. GIAMMASI. Right.

Mr. KENNEDY. Shortly afterward, after the vote of affiliation, did you meet with Mr. James Guffy?

Mr. GIAMMASI. I did.

Mr. KENNEDY. Were you told to meet with Mr. Guffy?

Mr. GIAMMASI. I was.

Mr. KENNEDY. And by whom?

Mr. GIAMMASI. Mr. Gannon.

Mr. KENNEDY. Who is Mr. Gannon?

Mr. GIAMMASI. Mr. Gannon was the coordinator for the council, for both Cambridge and Boston.

Mr. KENNEDY. That was the old council, the unaffiliated council?

Mr. GIAMMASI. The original unaffiliated council.

Mr. KENNEDY. He told you to see Mr. Guffy?

Mr. GIAMMASI. I was told to see Mr. Guffy.

Mr. KENNEDY. What did Mr. Guffy say to you?

Mr. GIAMMASI. When I first met with Mr. Guffy I had the impression he was here in Boston to help out the council and maintain the council at any cost. I also understood at the time that he came into Boston on some checkup of a morals case of some kind.

Mr. KENNEDY. And what do you mean, that he was going to maintain the council at any cost?

Mr. GIAMMASI. Well, I understood he was from the Chicago office. I understood he was from Sears, Roebuck. With this in mind, I went along with his talks, because I thought he was going to back up and help us maintain the council which we thought at the time we were more or less—I don't know the exact words for it, but from the Lennox Hotel meeting, which was supposed to be an affiliation meeting, we thought at the time that the meeting was not correctly conducted.

Mr. KENNEDY. So that we understand what the facts are—in January of 1953, the council voted to affiliate with the A. F. of L.?

Mr. GIAMMASI. That is right.

Mr. KENNEDY. And you objected to it?

Mr. GIAMMASI. Yes, sir.

Mr. KENNEDY. A short time afterward you met with Mr. Guffy, and there was another council. Then two councils came into existence, right?

Mr. GIAMMASI. Well, actually I had the impression that it was the same council.

Mr. KENNEDY. I am not going to get into that, whether the other council was wrong, or your council was wrong. But there were two councils, right, one for affiliation with the A. F. of L., and one independent or unaffiliated?

Mr. GIAMMASI. Right.

Mr. KENNEDY. And Mr. Guffy, his activity was promoted toward this unaffiliated council; is that right?

Mr. GIAMMASI. Correct.

Mr. KENNEDY. But most of the officers had gone over with the one that voted to affiliate with the A. F. of L.; is that right?

Mr. GIAMMASI. That is right.

Mr. KENNEDY. When you went up and saw Mr. Guffy, what suggestions or recommendations did he make to you at that time?

Mr. GIAMMASI. It is pretty hard for me to remember word for word.

Mr. KENNEDY. Did he have at that time a list of the employees?

Mr. GIAMMASI. At the time that I saw Mr. Guffy, he had a piece of paper with, I suppose, some names on it, which he read or had in his memory. I don't know. I did not see the names. But he had a piece of paper in his possession which I assumed he was reading from, some names of some of the employees, and he asked me about some of these employees and what I thought of them in regard to them being of any help in the contest for the council.

Mr. KENNEDY. Did he give you any money at that time, on the first visit?

Mr. GIAMMASI. I don't think so.

Mr. KENNEDY. Was that subsequently that he gave you money?

Mr. GIAMMASI. It was a little later.

Mr. KENNEDY. What did he tell you about keeping this opposition secret?

Mr. GIAMMASI. He told us, meaning Mr. Gannon, and this probably was at the second meeting—he did tell us that the council was going to be maintained at any cost, and that some things that were being done were being done and should be done on the QT and not to let anybody know about them.

Mr. KENNEDY. For what reason did he say?

Mr. GIAMMASI. I understood that it had something to do with the Taft-Hartley Act.

Mr. KENNEDY. What did he say about it?

Mr. GIAMMASI. Actually, as I said, I don't know the exact words.

Mr. KENNEDY. What did he say about what he was doing in connection with the Taft-Hartley?

Mr. GIAMMASI. He said that what he was doing was against the Taft-Hartley Act.

Mr. KENNEDY. And, therefore, would have to be kept quiet?

Mr. GIAMMASI. It would have to be kept secret.

Mr. KENNEDY. You met with him on several occasions, did you?

Mr. GIAMMASI. I did.

Mr. KENNEDY. And did he get some cards for you to hand out?

Mr. GIAMMASI. Yes. When I saw him, it could have been the first or the second meeting, he had some cards which were mimeographed cards. Mr. Gannon had those cards. Mr. Gannon gave them to me. He got them from Mr. Guffy. Where Mr. Guffy got them, I don't know.

(At this point Senator Goldwater left the hearing room.)

Mr. KENNEDY. These were declaration of rights?

Mr. GIAMMASI. Declaration-of-rights cards.

Mr. KENNEDY. Declaration-of-rights cards which were to show that you were in favor of the unaffiliated council, is that right?

Mr. GIAMMASI. That is right.

Mr. KENNEDY. And you were to pass them out among the employees?

Mr. GIAMMASI. We were supposed to circulate those cards and see that the employees would sign them, and they were to be returned to Mr. Guffy with the notation, if they didn't want to sign it, why they didn't want to sign it.

Mr. KENNEDY. Did he entertain you and pay your bills during this time?

Mr. GIAMMASI. As far as I know, he must have, because I didn't.

Mr. KENNEDY. Did he also start giving you money?

Mr. GIAMMASI. He did.

Mr. KENNEDY. How much money did he give you originally?

Mr. GIAMMASI. I remember at one time he gave me something like—I made some notes on this because I didn't really take any minutes of all this. I just am guessing at the amounts. But it is somewhere near right. I think the first time he gave me somewhere around \$125, \$100 or \$125.

The CHAIRMAN. What was that for?

Mr. GIAMMASI. I understood from him—of course, I didn't ask for this, but I was given the money with the understanding that I was losing time off the floor as a salesman, a commission salesman. Also, I was losing my mileage, which was part of the setup on a commission salesman. And because of the time spent off the floor, he told me that I had nothing to worry about, and that I would be taken care of. So we commenced to receive this money.

Mr. KENNEDY. Were you the only one who received the money?

Mr. GIAMMASI. As far as I know.

Mr. KENNEDY. Did he tell you that you would have nothing to worry about financially if you continued in this work?

Mr. GIAMMASI. He told me that I had nothing to worry about, and he guaranteed me that we were going to win out and the council would win, and for this I was to keep on fighting for the council, and that I would have nothing whatsoever to worry about as long as we fought this thing through.

Mr. KENNEDY. Did he help you or assist you with the literature?

The CHAIRMAN. I never did get the full amount of the money. I interrupted you. Go ahead and tell the rest of the money.

Mr. GIAMMASI. Well, as far as I can figure out, in spasms he used to give me some, maybe \$50, \$60, or whatever he thought he wanted to give me, and I would say probably within the whole time that Mr. Guffy was connected with us in Boston, I probably collected from him somewhere around \$500. I am guessing at that figure. It could be a little less or a little more.

The CHAIRMAN. I interrupted you a while ago, but I wanted to get that in the record.

Mr. KENNEDY. What about the literature? Did he assist you with the literature?

Mr. GIAMMASI. Mr. Guffy assisted with some of the literature with Mr. Gannon and myself.

Mr. KENNEDY. He gave you some assistance on how the literature was to be?

Mr. GIAMMASI. That is right.

Mr. KENNEDY. What about Roy Webber? Did you ever discuss Roy Webber with him?

Mr. GIAMMASI. There was some talk about Roy Webber.

Mr. KENNEDY. Roy Webber had been the leader, as I understand it, for affiliation with the A. F. of L.?

Mr. GIAMMASI. That is right.

Mr. KENNEDY. And when you heard that Roy Webber was fired, did you make an objection to it?

(At this point Senator Goldwater returned to the hearing room.)

Mr. GIAMMASI. When Roy Webber was fired, I made my objection then, but before he was fired, I heard that they were checking on him and I understood they were going to do something about it, him and a couple of others who they were supposedly checking on.

Mr. KENNEDY. Who is "they"?

Mr. GIAMMASI. I don't know who was checking on him.

Mr. KENNEDY. Who reported that to you?

Mr. GIAMMASI. Mr. Guffy.

Mr. KENNEDY. Mr. Guffy reported to you about checking on Roy Webber?

Mr. GIAMMASI. That is right.

Mr. KENNEDY. And about checking on these other people? Is that right?

Mr. GIAMMASI. He said—to be specific, he said that in due time those people would be taken care of. That, whatever this meant, was left to me right there.

Mr. KENNEDY. Mr. Guffy said that to you?

Mr. GIAMMASI. Yes, sir.

Mr. KENNEDY. Who paid for the literature that you put out?

Mr. GIAMMASI. Some was paid by—I assume Mr. Gannon paid for it. I suppose he got it from Guffy. Some of it was paid by my own local 1 council and some was paid by local 2 council of Cambridge. Some was paid by check. Most of it was paid in cash.

Mr. KENNEDY. There was a hearing by the National Labor Relations Board in Boston, was there, during this period of time?

Mr. GIAMMASI. There was.

Mr. KENNEDY. And charges by the council affiliated with the retail clerks that there had been an unfair labor practice?

Mr. GIAMMASI. Right.

Mr. KENNEDY. Did Mr. Guffy come to town during that period of time?

Mr. GIAMMASI. I believe Guffy was still in town at that hearing. From what I gather now, the name Fred Warren reminds me that he must have been there, because I heard that name mentioned, and I am sure he was there while that hearing was going on.

Mr. KENNEDY. Did you meet with him at all?

Mr. GIAMMASI. I think I did.

Mr. KENNEDY. And you remember him under the name of Fred Warren.

Mr. GIAMMASI. Yes, sir.

Mr. KENNEDY. Then Mr. Warren, Mr. Neilsen, or Mr. Guffy, whichever you like, finally departed from town; is that right?

Mr. GIAMMASI. That is right.

Mr. KENNEDY. Did anybody else replace him?

Mr. GIAMMASI. Yes. Mr. Jackson. It was a little while later when Mr. Jackson finally talked to me. How long he was in town, I don't know.

Mr. KENNEDY. What is Mr. Jackson's first name?

Mr. GIAMMASI. I understand his name is Lou Jackson. That may not be his right name, but we called him Lou. I think his name is Lou.

Mr. KENNEDY. Did he continue the same practices as Mr. Guffy?

Mr. GIAMMASI. Yes. He continued along the same channels as Guffy had already started.

Mr. KENNEDY. And this was through the end of 1953, was it, or when? When did Mr. Jackson come, do you know? August?

Mr. GIAMMASI. Yes. I would say around August or September of 1953. I am not sure, but it was around that time.

Mr. KENNEDY. Do you know where he was from?

Mr. GIAMMASI. I understood he was from New York, but that he was also here on orders from Sears-Roebuck, the Chicago office.

Mr. KENNEDY. Was he the representative of Labor Relations Associates in New York? Did you understand that?

Mr. GIAMMASI. I didn't know that.

Mr. KENNEDY. Did you know if he was from the same office as Mr. Guffy?

Mr. GIAMMASI. I didn't know that.

Mr. KENNEDY. Did he continue to pay you? Did he pay you any money?

Mr. GIAMMASI. He didn't right off, but a little later on as we got to talking about these things, and I was having no money for coming, and my week's pay was only \$52, I kind of mentioned it to Mr. Gannon, and Mr. Gannon relayed it to Jackson, and by a round-about way he got to talking to me about it, this Jackson did, and he said, "Well, I don't know what I can do for you, except this: I will give you some today"—I think it was \$35 or something like that, and he said he didn't have any more, otherwise he probably would have given me a little more. But later on I got a little extra from him. Somehow, an envelope was sent to Mr. Rohrdanz, I believe. Mr. Rohrdanz at the time was, I was told, personnel relations manager for the Boston store.

Mr. KENNEDY. And did he make arrangements to give you this little extra money?

Mr. GIAMMASI. It could be that Mr. Jackson made arrangements with Mr. Rohrdanz.

Mr. KENNEDY. Who did you get the money from, actually?

Mr. GIAMMASI. I got the envelope from Mr. Rohrdanz. I don't know whether he knew what was in it or not.

Mr. KENNEDY. How much money did you receive altogether, approximately, from Mr. Jackson, through Mr. Rohrdanz directly?

Mr. GIAMMASI. Well, including this envelope and I don't know whether this was a balance due me from Mr. Guffy's guaranty that he had given me, after he left so fast from Boston, it was about 6 or 7 weeks, and I suppose it could be part of that——

Mr. KENNEDY. How much money did you receive?

Mr. GIAMMASI. I would say from Mr. Jackson, including that envelope, probably a couple of hundred dollars, \$200 or something like that.

Mr. KENNEDY. \$200 or \$300?

Mr. GIAMMASI. It could be.

Mr. KENNEDY. Did you receive also an increase from the company itself?

Mr. GIAMMASI. I didn't receive any increase in my pay. But later on Mr. Jackson arranged for me to get a voucher from the company, \$20 a week.

Mr. KENNEDY. You were working for the unaffiliated council; is that right?

Mr. GIAMMASI. That is right.

Mr. KENNEDY. Did Mr. Jackson say he was interested in the unaffiliated council also?

Mr. GIAMMASI. I understood—I don't know whether he said so or not, but I understood from him that he was to carry on the same as Mr. Guffy, and at any cost we were going to beat the retail clerks, AFL, and retain the council.

Mr. KENNEDY. Did that idea remain through to the end?

Mr. GIAMMASI. This whole system remained the same until the National Labor Relations Board gave a decision and a vote was asked by the National Labor Relations Board. And about this time I discovered that there was some dissension as to whether a council unaffiliated should go on the ballot.

Mr. KENNEDY. So what did Mr. Jackson say?

Mr. GIAMMASI. Mr. Jackson didn't want the unaffiliated——

Mr. KENNEDY. So, about 3 days before the election was to be held, did he withdraw his support from the council?

Mr. GIAMMASI. We finally got—if I may say so, we finally got the unaffiliated council on the ballot for the National Labor Relations Board.

Mr. KENNEDY. But did he withdraw? I am talking about Mr. Jackson. Did he tell you that the unaffiliated council should now, instead of being in favor of the unaffiliated council, should now be against any union at all?

Mr. GIAMMASI. Yes. Mr. Kennedy, after our name went on the ballot, and we fought like the dickens to get on there, because we found out at that particular time that they didn't want us to be on the ballot, they called us in at a meeting.

Mr. KENNEDY. Who is "they"? Jackson?

Mr. GIAMMASI. Mr. Jackson and Mr. Gannon. We went to this meeting, and at this meeting the question came up of a letter which was either already written or was written while I was on the way over there, but the letter was being drafted. This letter was read to me. I don't know exactly who read it, but someone read it in that

meeting. I objected to that letter because of the wording. The reason I objected to it was because after fighting for the unaffiliated council for 2½ years, that they should come out at the last minute and ask me as the coordinator and appointed chairman to turn my back on the people I was trying to interest back into the unaffiliated council.

Mr. KENNEDY. What actually happened was that they had prepared a letter, Mr. Jackson had prepared a letter, and it was going to be a letter to the employees of the store, saying although the unaffiliated council you had supported, the unaffiliated council, that you finally thought that the best thing was to withdraw the support from the unaffiliated council and vote against any union because conditions were so good in the store, is that right?

Mr. GIAMMASI. Yes. This letter that was drawn up either by Mr. Jackson or Mr. Gannon, or both together, was, in a sense, asking for no vote.

Mr. KENNEDY. So this Jackson, who was the representative from Labor Relations Associates——

Mr. GIAMMASI. That is a union vote.

Mr. KENNEDY. A vote against any union at all?

Mr. GIAMMASI. That is right.

Mr. KENNEDY. He sponsored your withdrawing your support of the unaffiliated council, is that right?

Mr. GIAMMASI. That is right.

Mr. KENNEDY. And suggested that you be against any union at all, and that is what you went along on?

Mr. GIAMMASI. That is right. The reason he gave was that it seemed nobody knew who was on what side at what time.

Mr. KENNEDY. What was the final vote?

Mr. GIAMMASI. The final vote, I don't have the exact figures, but I think it was 9 to 1, or something like that, in favor of the no union.

Mr. KENNEDY. That is the letter.

Mr. GIAMMASI. Maybe I am wrong on that, but it was a no union vote.

Mr. KENNEDY. After that was over, did Mr. Jackson come to you and suggest that you might leave Sears, Roebuck?

Mr. GIAMMASI. Yes. But before I get into that, I think I mentioned it to you at my meeting with Mr. Sheridan about the letter which I previously had written in my own handwriting, which I wanted to submit to the employees, because of the fact that we were on the ballot. That letter, you have a copy of it in my own handwriting. And which Mr. Jackson and Mr. Gannon refused.

Mr. KENNEDY. So this letter was sent out?

Mr. GIAMMASI. So the other letter was substituted in its place.

Mr. KENNEDY. After the vote and the results being against any union at all, did Mr. Jackson then suggest to you that you leave Sears, Roebuck completely?

Mr. GIAMMASI. Yes. I met with Mr. Jackson a few time after that.

Mr. KENNEDY. Did he suggest to you at that time that he could set you up in a printing business?

Mr. GIAMMASI. Yes. He suggested that I look around and get myself a press.

Mr. KENNEDY. Did he say that he thought Sears, Roebuck store would purchase the press for you?

Mr. GIAMMASI. Yes. He told me that Sears was willing to purchase the press for me if I was willing to go along with the deal. It was a deal. That is what I understood.

Mr. KENNEDY. Do you know why they wanted to get you out of the store at that time?

Mr. GIAMMASI. I had no idea.

Mr. KENNEDY. Did you understand at the same time that they were trying to get out of the store anybody who was involved in this matter in any way?

Mr. GIAMMASI. Yes: on either side. I did get that impression: yes, sir.

Mr. KENNEDY. Anybody on either side that knew anything about the activities of Mr. Jackson, Mr. Guffy, or, on the other side, that they were trying to get those people out of the store?

Mr. GIAMMASI. That was my impression.

Mr. KENNEDY. That they either were going to transfer them to another store or get them into an outside business; that is right?

Mr. GIAMMASI. That is true.

Mr. KENNEDY. Would you tell us of your experience? Mr. Jackson came to you and said that he would see if they wouldn't set you up in a printing business?

Mr. GIAMMASI. That is right.

Mr. KENNEDY. And he told you to look around and see if you couldn't locate a printing press?

Mr. GIAMMASI. That is right.

Mr. KENNEDY. And you found a second-hand one worth about \$2,500 and you went to him, and he came back, after talking to the store, and said that would be too much; is that right?

Mr. GIAMMASI. That is right.

Mr. KENNEDY. Then did he say he would be willing to give you \$1,000 if you would go out and set up a printing business of your own?

Mr. GIAMMASI. That is right.

Mr. KENNEDY. And that he would see that the company give you some——

Mr. GIAMMASI. He told me that Sears would give me in addition to my profit sharing, \$1,000, if I left Sears-Roebuck and went into business for myself.

Mr. KENNEDY. Were they also going to get you certain business?

Mr. GIAMMASI. He said he would see to it that Sears-Roebuck gave me some printing business to keep me going.

Mr. KENNEDY. Did you decide that unless you could get a guaranty that they would give you enough business so that you would be able to pay for the printing equipment over a period of 5 years, you wouldn't accept their offer?

Mr. GIAMMASI. Yes, sir. I talked it over with my wife. I knew it didn't sound right. We discussed it at home, with her, and we came to the conclusion that if we were going to do this, and if I was going to be out of Sears-Roebuck, one way or another, it was high time I was protecting myself. So I made him the proposition, and I asked him to go back to Sears-Roebuck, if that is what he was doing

business with, and if they would sign a contract for 5 years and produce the press, I would go in business, providing they would give me the business for 5 years. He said he didn't think this was hardly possible, but he would try.

MR. KENNEDY. And it ultimately ended up——

MR. GIAMMASI. It ended, as far as I am concerned, although I did have a meeting with him, and he said he was sorry that they wouldn't go along with the contract business, and he was sorry he couldn't do anything for me.

MR. KENNEDY. And you said you wouldn't accept the \$1,000?

MR. GIAMMASI. That is right.

THE CHAIRMAN. Senator McNamara?

SENATOR McNAMARA. You made a remark in reply to a question of chief counsel that you were appointed chairman of this council. Do you remember that?

MR. GIAMMASI. I was appointed coordinator of this council.

SENATOR McNAMARA. You were appointed coordinator but you acted as chairman?

MR. GIAMMASI. For the time being, until the election took place for the officers.

SENATOR McNAMARA. Who appointed you?

MR. GIAMMASI. Mr. Gannon appointed me through the recording secretary-treasurer of the supreme board, Edna Donovan. That is the way I understood it. I didn't talk, myself, with Edna Donovan until a few days later.

SENATOR McNAMARA. You were appointed, as you understood it, by Mr. Gannon through the authority of Edna Donovan?

MR. GIAMMASI. Yes.

SENATOR McNAMARA. What was Mr. Gannon's job?

MR. GIAMMASI. At the time I don't think he had any council office at all.

SENATOR McNAMARA. He was an attorney?

MR. GIAMMASI. No. I don't think he is.

SENATOR McNAMARA. How did you assume that he had any authority to appoint you to anything, if you don't know who he was.

MR. GIAMMASI. Well, as I say, I understand that Mr. Gannon was told by Edna Donovan that whatever he did for the supreme board and the council was all right with her. As a matter of fact, she was the only surviving officer, actually, who was with us on the unaffiliated council.

SENATOR McNAMARA. How many members did you have in your council at this time?

MR. GIAMMASI. I would have to have you clarify that because I don't know what you mean, sir.

SENATOR McNAMARA. Well, you were appointed to some office by Mr. Gannon, and that office made you an officer of a council. Do you know how many members were in the council?

MR. GIAMMASI. Well, sir, it is pretty tough to tell you exactly how many we had because of the confusion of the whole thing. But we could put our hands on maybe 30 people that we knew that were with the council yet.

SENATOR McNAMARA. You didn't hold any regularly scheduled meetings of this council?

Mr. GIAMMASI. We didn't hold regular meetings. We did hold some meetings of the council.

Senator McNAMARA. Did you have the list of the membership?

Mr. GIAMMASI. I had a list of members at the time.

Senator McNAMARA. And there were about 30 on your list?

Mr. GIAMMASI. Yes.

Senator McNAMARA. Thirty out of how many employees?

Mr. GIAMMASI. Maybe 250 in that particular store.

Senator McNAMARA. Thank you. That is all.

Senator GOLDWATER. Mr. Giammasi, how much did you get out of the profit-sharing plan when you left Sears?

Mr. GIAMMASI. I haven't left Sears.

Senator GOLDWATER. You haven't?

Mr. GIAMMASI. No, sir.

Senator GOLDWATER. I am sorry. I thought you had.

Senator CURTIS. Mr. Chairman?

The CHAIRMAN. Senator Curtis.

Senator CURTIS. You were in favor of the unaffiliated council, were you, all through this controversy?

Mr. GIAMMASI. Yes, sir. I might clarify now that at the January 21 meeting in the Hotel Lennox, I never knew a Mr. Gannon, and he was there, and he objected to the meeting and, of course, I followed suit.

Senator CURTIS. But that was your own feeling and it was not brought about by pressures from outside?

Mr. GIAMMASI. No, sir.

Senator CURTIS. That is all.

Mr. KENNEDY. As I understand it, you went to Mr. Guffy with the idea to get the advice of maintaining the council. Is that right?

Mr. GIAMMASI. That is right. I thought he was there for that purpose.

Mr. KENNEDY. You were interested in maintaining the unaffiliated council?

Mr. GIAMMASI. Yes.

Mr. KENNEDY. And when Guffy left, you went to Jackson for the same purpose?

Mr. GIAMMASI. Yes.

Mr. KENNEDY. And 3 days before the election, Mr. Jackson told you that you should all switch your support to no council and no union at all?

Mr. GIAMMASI. That is right, to which I objected.

Mr. KENNEDY. And nevertheless a letter went out that because of the recommendation of Mr. Jackson from Labor Relations Associates, being paid by the company, that you should all swing your support to no union at all?

Mr. GIAMMASI. Not only on the recommendation of Mr. Jackson, but on the recommendation of Mr. Gannon.

Mr. KENNEDY. Did you feel that you were double crossed on this matter?

Mr. GIAMMASI. Yes.

The CHAIRMAN. Did that letter go out?

Mr. GLAMMASI. The letter was circulated the morning of the vote, I believe, or the Saturday before the vote. It was circulated by our own members.

The CHAIRMAN. I beg your pardon?

Mr. GLAMMASI. It was circulated, passed out by hand.

The CHAIRMAN. Is this the letter you refer to, or a copy of it?

(Document handed to witness.)

Mr. GLAMMASI. That is the letter. I don't have to read it.

The CHAIRMAN. That may be made exhibit No. 21.

(The letter referred to was marked "Exhibit No. 21" for reference and will be found in the appendix on p. 6229.)

Mr. KENNEDY. That is all, Mr. Chairman.

Senator McNAMARA. Who signed it, Mr. Chairman?

The CHAIRMAN. Did you sign the letter?

Mr. GLAMMASI. My name is on there. I don't remember signing it, but the name went on there. It was printed. I think one of those officers who was on there, Miss Preston, was not present at the time the letter was drawn up. I think her mother was sick at the time.

The CHAIRMAN. Did you sign the letter? Did you ever authorize that it be distributed in your name?

Mr. GLAMMASI. We did, at that particular meeting with Mr. Jackson.

The CHAIRMAN. All right.

Call the next witness.

Mr. KENNEDY. Harry Farren.

The CHAIRMAN. Do you solemnly swear that the evidence you shall give before this Senate select committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. FARREN. I do.

TESTIMONY OF HARRY D. FARREN

The CHAIRMAN. State your name, your place of residence and your business or occupation.

Mr. FARREN. My name is Harry D. Farren, 1640 Washington Street, West Newton. I am a former newspaper man, presently self-employed as a free-lance writer.

The CHAIRMAN. Thank you very much. Do you waive counsel?

Mr. FARREN. Yes, sir.

The CHAIRMAN. Mr. Kennedy, you may proceed.

Mr. KENNEDY. Mr. Farren, you were interested in the unaffiliated council? You were working out in Cambridge, were you, at the Cambridge store of Sears, Roebuck?

Mr. FARREN. Yes, sir.

Mr. KENNEDY. How long had you been with Sears, Roebuck?

Mr. FARREN. I came to Sears, Roebuck in October 1953.

Mr. KENNEDY. What was your position there?

Mr. FARREN. I was working in sporting goods.

Mr. KENNEDY. Sporting goods?

Mr. FARREN. As an extra.

Mr. KENNEDY. And you were interested in the unaffiliated council, as I understand it.

Mr. FARREN. I was interested subsequently in it, yes, not immediately.

MR. KENNEDY. Well, in September and October of 1953?

MR. FARREN. Well, no, between October and January of 1953.

MR. KENNEDY. But your sentiments generally were in favor of the unaffiliated?

MR. FARREN. Right, sir.

MR. KENNEDY. In October 1953, were you transferred?

MR. FARREN. No, I was—wait until I get my notes.

I was at Sears in Cambridge from 1952—that is right—to November of 1953. I went to the Fenway store.

MR. KENNEDY. Whose position did you take at that time?

MR. FARREN. Mr. Webber.

MR. KENNEDY. Did you know what had happened to Mr. Webber?

MR. FARREN. Yes, sir.

MR. KENNEDY. What happened to him?

MR. FARREN. I knew he had been the center of a great deal of controversy because of his affiliation with the retail clerks, and that on his dismissal I was given the opportunity to take his position.

MR. KENNEDY. Do you know why they wanted you in there?

MR. FARREN. Well, I assumed that they felt that whatever I might do in the way of persuading and influencing people in the furniture department at Fenway, there was a lot of cloak-and-dagger work going on in the store, they felt that whatever I might say to influence the furniture men who seemed to be the core of resistance to the union affiliated council, might be very helpful.

MR. KENNEDY. Was this a promotion for you?

MR. FARREN. Subsequently it turned out that way. I was in sporting goods, and before I was transferred to furniture, I was promoted to what they call a white-goods department, refrigerators and deep freeze, and then I went from that department to furniture.

MR. KENNEDY. Which was a promotion?

MR. FARREN. Yes, sir.

MR. KENNEDY. Did you meet with Mr. Louis Jackson after this?

MR. FARREN. Yes, sir; many times.

MR. KENNEDY. Did he request that you assist him in influencing people against the retail clerks?

MR. FARREN. He did.

(At this point Senator McClellan left the hearing room.)

MR. KENNEDY. Did you assist him in that manner?

MR. FARREN. Yes, sir; I did.

MR. KENNEDY. Did you receive any money for that?

MR. FARREN. Yes, sir. From time to time \$20, \$10, and that was paid to me for time that I spent off the floor as a commission salesman to go to these meetings at the hotel in the evening or afternoon.

MR. KENNEDY. But it wasn't for any expenses that you had?

MR. FARREN. No; just for the loss of commission, that is all, for the time I would be off the floor.

MR. KENNEDY. Do you know if they were also paying loss of commission to those in the company who were losing commissions because they were in favor or devoting time to the retail clerks?

MR. FARREN. Gee, I couldn't answer that, Mr. Kennedy.

MR. KENNEDY. Did you work with him for the unaffiliated council?

MR. FARREN. Yes; I did.

MR. KENNEDY. Did you work for Mr. Jackson?

MR. FARREN. Right.

MR. KENNEDY. How much money did you receive altogether?

MR. FARREN. During that period of time, I would say somewhere between \$200 and \$300, in small sums.

MR. KENNEDY. Did you also meet with Mr. Ed Robey?

MR. FARREN. I didn't meet with Mr. Robey until shortly before the election. He came into the picture very late.

MR. KENNEDY. Was he also from Labor Relations Associates?

MR. FARREN. Yes, sir.

MR. KENNEDY. You understood that?

MR. FARREN. Right.

MR. KENNEDY. Were you for the unaffiliated council up until the very end?

MR. FARREN. Yes, sir.

MR. KENNEDY. And then Mr. Jackson had you switch over to vote no?

MR. FARREN. Let me explain it very briefly to you. My activities insofar as this whole operation is concerned were very nominal. Let me put it that way. I was a working salesman and I was more interested in making my commissions than I was in dealing in any particular cause. I did promise them that I would help to influence the fellows in the furniture department. But besides that, I didn't. When it came to the vote "no" committee, I said I wanted no part of it, and they agreed that that was all right, but would I recommend some people that I thought were interested in the vote "no." At that time, in the Fenway store, the general atmosphere was completely defeatist, that there would be any union or unaffiliated council, and I think heads had rolled in this process. I don't remember just exactly who, but the Bailey case, and 2 or 3 people had been discharged, and there was, I would say, a considerable fear on the part of many of the employees. I felt the tactic of vote "no" was a very good one, because it would take a lot of people off the hook.

(At this point Senator McClellan returned to the hearing room.)

MR. KENNEDY. At the same time that Mr. Jackson was supporting the unaffiliated council, there was also an operation for vote "no"; is that right?

MR. FARREN. As far as I recollect, Mr. Kennedy, the vote "no" committee sprang up within 48 or 72 hours prior to the election.

MR. KENNEDY. Just after this meeting that the unaffiliated council had?

MR. FARREN. I assume so, sir.

MR. KENNEDY. Did you have a meeting with Mr. Shefferman?

MR. FARREN. Yes; I did.

MR. KENNEDY. Did he make any offers or propositions to you?

MR. FARREN. Well, he, as I recollect, didn't directly. Jackson, Lou Jackson, had mentioned to me that because of my past background and writing on matters pertaining to labor-management relations that they would be more or less happy to have me come to Chicago at some later date and try out, as it were, with Labor Relations Associates.

MR. KENNEDY. And they also wanted to move you out of the Boston store?

Mr. FARREN. That would be to go to Chicago, sir.

Mr. KENNEDY. Did you agree subsequently to go to Chicago?

Mr. FARREN. Yes; I did.

Mr. KENNEDY. What financial arrangements did they make with you prior to going there?

(At this point Senator McNamara left the hearing room.)

Mr. FARREN. Mr. Shefferman called me from Chicago and said that he was going on a trip; that he would be gone several weeks; that I should take a leave of absence from Sears, Roebuck—this is in June of 1956—and that Mr. Jackson would be in Boston and meet with me, and he would pay me \$800, \$400 of which would be to sustain my family while I was in transit, more or less, and the other \$400 to sort of tide me over when I arrived in Chicago.

Mr. KENNEDY. If you would come to Chicago and start to work for him?

Mr. FARREN. Right, sir.

Mr. KENNEDY. Was this after the election?

Mr. FARREN. This is after; yes. This is in June, and the election, I recollect, was in May.

Mr. KENNEDY. Did you ultimately go?

Mr. FARREN. Yes.

Mr. KENNEDY. You received \$800 in cash?

Mr. FARREN. Yes.

Mr. KENNEDY. And then you went—

Mr. FARREN. To Chicago in June and worked with Mr. Shefferman until August.

Mr. KENNEDY. And then you left and came back to Boston?

Mr. FARREN. That is right.

Mr. KENNEDY. For what reason do you think they wanted to give you this job? What is your best judgment on that?

Mr. FARREN. There were no other jobs for me in Sears, Roebuck at that particular time. It would give me the income I needed.

Mr. KENNEDY. Did you understand they wanted to get you out of Boston?

Mr. FARREN. I would assume so.

Mr. KENNEDY. Is that what you understood?

Mr. FARREN. I am assuming that. They didn't tell me that. As a matter of fact, when I left Chicago, in all fairness to Shefferman, he did offer me, I think it was \$9,000 a year plus expenses to stay with them, and my wife was with me at that meeting with Mr. Shefferman and we decided to decline the offer and return to Boston. You can't actually say that he wanted to get rid of me. I mean, that would be untrue.

Mr. KENNEDY. The people that were for the unaffiliated council, for the vote "no" committee and for the retail clerks, were a good number of them moved out of Boston?

Mr. FARREN. There was a lot of shuffling around going on, and as I said prior, there was a case of Bailey who got moved up in a sex deviation case and then there were 3 or 4 people that I remember that were caught pilfering either merchandise or money from the cash register, and they were dismissed.

As I recollect it, most of them were people who were in opposition to the unaffiliated council.

Mr. KENNEDY. Anybody that was involved in this operation at all, on both sides, were you aware of an effort for those people involved on either side, to move them out of Boston?

Mr. FARREN. Yes; that was generally accepted.

Mr. KENNEDY. That is all.

Senator GOLDWATER. Mr. Farren, you mentioned in the course of your testimony that you wrote on labor-management subjects?

Mr. FARREN. Yes, sir.

Senator GOLDWATER. What was your background on that?

Mr. FARREN. From the time I was a Hearst newspaperman; I was a labor reporter with Hearst for some time.

Senator GOLDWATER. What paper?

Mr. FARREN. I worked on many of them. I started in Boston and worked on the New York Mirror and Washington Herald and with International News Service in New York and back in Boston on the American.

Senator GOLDWATER. Do you think that had any bearing on your employment in Sears?

Mr. FARREN. I doubt it very much because at the time that I made application for the job—as a matter of fact, I did not make the application but my wife did, and just to get extra work over Christmas. We were having tough financial sledding and she went over and made the application for extra work. I didn't do anything about that until I actually made my application and put that down as my background.

Senator GOLDWATER. How did the AFL contact the employees of Sears relative to their interests?

Mr. FARREN. As I recollect it, they circulated men through the store and I know that it was like a Falstaffian comedy. When one of the retail-clerk operators would enter our store, they would be followed by the 211 men, the detectives in the store, plus the store manager and the assistant manager and the personnel director when they were attempting to make contact with the employees. It was pretty ludicrous.

Senator GOLDWATER. Were these people representing the AFL employees of Sears?

Mr. FARREN. Yes; at that time they were; yes, sir.

Senator GOLDWATER. They were employed. Who was paying them for their time off?

Mr. FARREN. If they were being paid at all, it must have been through the union. I am sure that Sears wasn't paying them.

Senator GOLDWATER. That is all.

The CHAIRMAN. All right, call the next witness.

Mr. KENNEDY. James R. Donoghue.

The CHAIRMAN. Do you solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. DONOGHUE. I do.

TESTIMONY OF JAMES R. DONOGHUE

The CHAIRMAN. State your name and your place of residence and your business or occupation.

Mr. DONOGHUE. James R. Donoghue, 4 Parkside Avenue, Braintree, Mass. My place of employment, Sears television department in Boston store.

The CHAIRMAN. Do you waive the right to counsel?

Mr. DONOGHUE. Yes, sir.

Mr. KENNEDY. Mr. Donoghue, how long had you been working for Sears, Roebuck?

Mr. DONOGHUE. Sixteen years, seven months, and I don't know how many days.

Mr. KENNEDY. In what position?

Mr. DONOGHUE. From stock purchase to salesman.

Mr. KENNEDY. In 1953 you were in favor of the retail clerks, were you?

Mr. DONOGHUE. Yes, sir.

Mr. KENNEDY. And did you feel in 1953 that you had been let down by Mr. Webber and by others, that could have brought the retail clerks in if they had been active in their work, but they declined to be?

Mr. DONOGHUE. I believe Mr. Webber let everything down, but I also believe Mr. Myers, and the whole retail clerks, let the whole thing down. All they were interested in was collecting of the dues. We had a Labor Relations hearing in Boston and at the time I was on vacation and I went down.

In other words, rather than spend my vacation, I went to the bank and I had a money order for their dues to be made out. The vice president, Mr. Myers, came on from Washington and he turned around and sent a telegram to my house for the money of the dues-paying members, and I thought he was in town mainly for the trial at the Labor Relations Board.

Mr. KENNEDY. But you were generally disappointed in the operation of the retail clerks; is that right?

Mr. DONOGHUE. Yes, sir.

Mr. KENNEDY. And were you approached by a friend of yours, Mr. John Lind, to work in connection with the teamsters?

Mr. DONOGHUE. I wasn't approached. I met him from time to time and then he mentioned the teamsters and I was willing to go along with it.

Mr. KENNEDY. Mr. John Lind had originally been an organizer for the retail clerks?

Mr. DONOGHUE. Yes, sir.

Mr. KENNEDY. And did Mr. Shefferman arrange for Mr. Lind—this is in 1953—did Mr. Shefferman arrange for Mr. Lind to get a job with the laundry workers as an organizer?

Mr. DONOGHUE. That I don't know.

Mr. KENNEDY. But you know he went as an organizer for the laundry workers.

Mr. DONOGHUE. I knew about a month afterwards, sir.

Mr. KENNEDY. Then, did he start to do some work in the Sears, Roebuck store for the teamsters?

Mr. DONOGHUE. There was nothing mentioned on that until sometime in 1954.

Mr. KENNEDY. In 1954 he started to work for the teamsters?

Mr. DONOGHUE. Yes, sir; I believe so.

Mr. KENNEDY. And because of your disgust with the operation of the retail clerks, you went to him and said that you would help with the teamsters; is that right?

Mr. DONOGHUE. No; I didn't. In other words, I was willing to listen to anything that went along and I didn't go along with anybody until the thing was right to the end.

Mr. KENNEDY. But anyway, you were talking to Mr. Kind?

Mr. DONOGHUE. I had several talks with him.

Mr. KENNEDY. Did you meet with Mr. Jackson at all during that time?

Mr. DONOGHUE. I never met Jackson in my life, sir.

Mr. KENNEDY. You never met Jackson?

Mr. DONOGHUE. No, sir.

Mr. KENNEDY. And did you meet the representative of the teamsters up there, Mr. Dominic Zenga?

Mr. DONOGHUE. I met with Mr. Zenga once at the Hotel Lennox, and another time, in fact several times when I was down in the Cold Spot department he was going into Mr. Rawlings' office and he was claiming that he was negotiating the contract of the Sears service.

Mr. KENNEDY. Did he tell you that if the retail clerks put a picket line around the service station of Sears Roebuck that the teamsters would go through it?

Mr. DONOGHUE. Yes, sir.

Mr. KENNEDY. Now, did you receive any money from Mr. Lind or anyone else, trying to influence people in favor of the teamsters during 1954?

Mr. DONOGHUE. Yes; at parties; yes, sir.

Mr. KENNEDY. Approximately how much money did you receive?

Mr. DONOGHUE. \$125, sir.

Mr. KENNEDY. Was that to try to influence people in favor of the teamsters against the retail clerks?

Mr. DONOGHUE. In other words, to get a group together, sir.

Mr. KENNEDY. Did you know that Mr. Lind was in conference with Mr. Shefferman about the matter?

Mr. DONOGHUE. I knew he had known him and I don't know of any conferences he had, sir.

Mr. KENNEDY. Were you having some difficulty in making money in the position that you were holding and Mr. Lind made arrangements to have you transferred to a better department?

Mr. DONOGHUE. Yes, sir.

Mr. KENNEDY. After you indicated that you would help the teamsters?

Mr. DONOGHUE. I didn't indicate, and I didn't go. As I said, I didn't do anything until the end of the whole thing, sir. In other words, I was supposed to have a committee of 30 people in which I was involved myself, and I wouldn't put anybody else in the middle.

Mr. KENNEDY. You told them that you had a committee of 30?

Mr. DONOGHUE. They asked me if I could get a group and I told them I would get about 30 people.

Mr. KENNEDY. Did you have 30?

Mr. DONOGHUE. No, sir.

Mr. KENNEDY. Now, just prior to the election, was there a conversation and a conference with you regarding a use that would be made of your automobile?

Mr. DONOGHUE. I knew what was happening to my automobile beforehand; yes, sir.

Mr. KENNEDY. Did you have a talk with Mr. Lind among others, about your automobile? Let me ask you this: Was it agreed by you with others that you would allow your automobile to be wrecked just before the election, that it would then appear to people that the retail clerks wrecked your automobile and this would get the employees of the store to vote against the retail clerks?

Mr. DONOGHUE. I had let my car be wrecked on the one condition that nothing would happen to any of the people that were organizing that worked in the store for the retail clerks and that agreement was accepted.

They did not bother anybody that was left, or anybody that was organizing for the retail clerks that held with them to the end and nothing happened to them and I went on that one agreement.

Mr. KENNEDY. Did you park your car? Where did you park your car?

Mr. DONOGHUE. At the same place I always did, in the lot across the street from the store.

Mr. KENNEDY. Did Mr. Lind tell you what was going to happen to the car?

Mr. DONOGHUE. I knew beforehand, sir.

Mr. KENNEDY. You knew beforehand?

Mr. DONOGHUE. That is right.

Mr. KENNEDY. That something would happen to your automobile?

Mr. DONOGHUE. Yes, sir.

Mr. KENNEDY. And you knew the reason was so that the retail clerks could be blamed for it; is that right?

Mr. DONOGHUE. I believe so, sir.

Mr. KENNEDY. What did they do to your automobile? What arrangements were made and what did they do to it? Did they slash the tires?

Mr. DONOGHUE. They ice picked the tires and put a brick through the window.

Mr. KENNEDY. Then it was the following day, or the following few days, this wrecking of your automobile was blamed on the retail clerks?

Mr. DONOGHUE. Yes, sir.

Mr. KENNEDY. Were you reimbursed for the harm done your automobile?

Mr. DONOGHUE. No, sir. Well, I was given three tubes, I believe.

Mr. KENNEDY. By whom?

Mr. DONOGHUE. By the store to put in my car.

Mr. KENNEDY. Sears, Roebuck gave you that?

Mr. DONOGHUE. The car was over there and they put tubes in it and I never was charged for them, sir.

Mr. KENNEDY. That is Sears, Roebuck?

Mr. DONOGHUE. Yes, sir.

Mr. KENNEDY. And then the insurance took care of the rest?

Mr. DONOGHUE. They took care of the window, yes, sir.

Mr. KENNEDY. Now, did you hear or know that there were two individuals that were hired by Sears that were to do nothing else but organize for the teamsters?

MR. DONOGHUE. I knew of two people that were organizing over in the warehouse and I knew one of them by name and that is all.

MR. KENNEDY. And their job was to organize for the teamsters.

MR. DONOGHUE. I believe they were organizing for the teamsters.

MR. KENNEDY. Being paid by Sears?

MR. DONOGHUE. As far as I know, they were over there working, and I don't know. In other words, I had nothing to do with them over there.

MR. KENNEDY. Did you understand that these two people were hired by Sears and to work at the warehouse to do organizing?

MR. DONOGHUE. I didn't know, and I took it for granted that they were organizing for the teamsters.

MR. KENNEDY. Did you discuss with anybody in the company the fact that your car was going to be wrecked?

MR. DONOGHUE. No, sir.

MR. KENNEDY. Who made the arrangements for you to be reimbursed for the tubes by the company?

MR. DONOGHUE. The only thing—in other words, they were fixed over in the service station and I went in to Mr. Romizer and I asked him about the charge and he said just forget about it.

MR. KENNEDY. That is Mr. Romizer?

MR. DONOGHUE. He was the manager of the store.

MR. KENNEDY. That is all.

Senator CURTIS. In the first instance you were for the retail clerks union?

MR. DONOGHUE. I was for the retail clerks up until the time when they turned around and turned their backs to the employees. In other words, at the end, I believe it was.

Senator CURTIS. Before you got to the end, but during the early part of their efforts in there, you agreed with them and you were for them?

MR. DONOGHUE. I worked right with them until the time Mr. House-right and the retail clerks agreed to split up the whole setup there. In other words, they sacrificed the Cambridge store and then there was one unit between Central Service and Boston and they agreed to an election in a split.

They refused to bring it to the Supreme Court or bring it into any court and all along they had promised that there would never be another election and if they had it they would fight it right up to the courts, which they did not do.

Senator CURTIS. What was this reference that you made to their desire to collect dues? That was a moment ago in answer to Mr. Kennedy's question.

MR. DONOGHUE. That is the dues?

Senator CURTIS. You said something about their desire to collect dues.

MR. DONOGHUE. All they were interested in was collecting the dues and not in the people.

Senator CURTIS. Which union?

MR. DONOGHUE. The retail clerks, sir.

Senator CURTIS. Well then, later you joined up with the teamsters group, is that right?

MR. DONOGHUE. I was going along with them. In other words, I didn't do anything on it for the teamsters. In other words, I was

asked to get a committee and I told them that I had 30 men, which I did not have, sir.

Senator CURTIS. Why did you go with the teamsters?

Mr. DONOGHUE. When you were in the middle of everything, sir, after awhile you start looking for yourself, sir.

Senator CURTIS. But all through this you felt that you wanted a union in the store?

Mr. DONOGHUE. Yes, sir.

Senator CURTIS. When did you start working for Sears?

Mr. DONOGHUE. March 13, 1941, the second time. The first time was at the Christmas rush of 1940.

Senator CURTIS. Are you still working for them?

Mr. DONOGHUE. Yes, sir.

Senator CURTIS. Were you one of the leaders of the retail clerks at any time, or one of the officers?

Mr. DONOGHUE. When the treasurer, the originally elected treasurer, dropped out, they asked me to become the treasurer.

Senator CURTIS. So you have worked out there about 16 years.

Mr. DONOGHUE. Sixteen years and 7 months, sir.

Senator CURTIS. What is your present position?

Mr. DONOGHUE. Salesman.

Senator CURTIS. That is all.

The CHAIRMAN. Is there anything further?

Mr. KENNEDY. There is one thing I want to clear up.

John Lind at this time, while working on the teamsters, was actually on the payroll of the laundry workers union, is that right?

Mr. DONOGHUE. That I don't know. I believe he was, sir.

Mr. KENNEDY. I know that you don't want to get anybody else into difficulty, so I will phrase the question carefully. You talked over the wrecking of your car with Mr. John Lind prior to the time it was wrecked?

Mr. DONOGHUE. Yes, sir.

Mr. KENNEDY. I am not saying that he was the one that gave instructions for it, but you did have a conversation with him prior to that time, is that right?

Mr. DONOGHUE. Yes, sir.

The CHAIRMAN. All right. Thank you very much.

Senator GOLDWATER. I have a question, Mr. Chairman, of counsel, which I wish to clear up.

In the New York Times of Sunday, October 27, there appeared a list of organizations linked to Labor Relations Associates. I was just wondering if the counsel could tell me of these firms listed how many were contacted by committee personnel.

Mr. KENNEDY. Senator, we did it on the basis of the fees that were paid. Some of those companies paid very small fees. We did it first on the basis of the fees that were paid, to find out whether it was worth while going into. We contacted 50 companies that paid the largest fees. Some of them, as has been brought out, paid maybe only a couple or \$300 a year to Labor Relations Associates consultants.

Senator GOLDWATER. Have you determined how many of the firms have been guilty of violations of the Taft-Hartley law?

Mr. KENNEDY. We can have that. I might say that many of the companies, in fact, almost the majority of the companies that we

went into were not truthful with us when we asked them about their relations with Mr. Shefferman. And how many are involved in things that we are looking into here, I will have to give you that figure tomorrow.

Senator GOLDWATER. Do you know how many cases have been filed with the NLRB involving these firms.

Mr. KENNEDY. No, I do not.

Senator GOLDWATER. Could you find that out?

Mr. KENNEDY. Of the 50?

Senator GOLDWATER. Yes.

Mr. KENNEDY. We can write to them.

Senator GOLDWATER. That is not too important, if you can answer the second question:

How many firms have been guilty of Taft-Hartley violation?

Mr. KENNEDY. In our estimation?

Senator GOLDWATER. Well, that would be in the NLRB estimation. I would like to know yours, too, was the committee the source of this list?

Mr. KENNEDY. No. Well, I believe a member of the committee was. No staff member was.

Senator GOLDWATER. Mr. Chairman, I do not want to be critical of the committee staff, and I am certainly not——

Mr. KENNEDY. This didn't come from the staff of the committee. I will say that.

Senator GOLDWATER. I think a list like this, connected with a man who is being investigated, is guilt by association. I have heard a lot of criticism in my 5 years here of that type of release. I think it should be made clear by the committee counsel just what violations are included with this list, to the end that many firms in there, who I have known for many years, are not falsely associated with something we are investigating.

The CHAIRMAN. Counsel, did you release the list?

Mr. KENNEDY. No, we did not.

The CHAIRMAN. Did any member of the staff release it?

Mr. KENNEDY. No. There were a number of Senators on the committee who requested the list. The list was furnished under the rules of the committee, and the list appeared in the newspapers. But the list did not come to any newspaperman from a member of the staff of this committee.

Senator GOLDWATER. That satisfies me. I don't think it is proper to put out a list like this at the time we are investigating them.

Mr. KENNEDY. I agree.

The CHAIRMAN. The staff wouldn't put out a list like that without consulting the chairman. Of that I am confident, because the chairman had not heard of it.

Senator GOLDWATER. I wanted to clear that up, because there are about 425 firms here who should be heard from.

Mr. KENNEDY. That is right.

The CHAIRMAN. The committee stands in recess until 10 o'clock in the morning.

(The following committee members were present at time of recess: Senators McClellan, Goldwater, and Curtis.)

(Whereupon, at 4:20 p. m. the committee was recessed, to reconvene at 10 a. m. Tuesday, October 29, 1957.)

INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

TUESDAY, OCTOBER 29, 1957

UNITED STATES SENATE,
SELECT COMMITTEE ON IMPROPER ACTIVITIES,
IN THE LABOR OR MANAGEMENT FIELD,
Washington, D. C.

The select committee met at 10:30 a. m., pursuant to Senate Resolution 74, agreed to January 30, 1957, in the caucus room, Senate Office Building, Senator John L. McClellan (chairman of the select committee) presiding.

Present: Senator John L. McClellan, Democrat, Arkansas; Senator Irving M. Ives, Republican, New York; Senator Pat McNamara, Democrat, Michigan; Senator Barry Goldwater, Republican, Arizona; Senator Carl T. Curtis, Republican, Nebraska.

Also present: Robert F. Kennedy, chief counsel; Pierre E. G. Salinger, investigator; Walter Sheridan, investigator; Ruth Young Watt, chief clerk.

The CHAIRMAN. The committee will be in order.

(Members of the select committee present at the convening of the session were Senators McClellan, Ives, and McNamara.)

The CHAIRMAN. We will proceed.

Mr. KENNEDY. Mr. Raymond J. Compton.

The CHAIRMAN. Mr. Compton, will you come forward, please?

Will you be sworn? You do solemnly swear the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. COMPTON. I do.

TESTIMONY OF RAYMOND J. COMPTON AND HARRY H. KUSKIN

The CHAIRMAN. State your name and your place of residence and your business or occupation.

Mr. COMPTON. Raymond J. Compton, 300 Monticello Boulevard, Alexandria, and I am employed as chief legal assistant to the Chairman of the National Labor Relations Board.

The CHAIRMAN. How long have you had that position, Mr. Compton?

Mr. COMPTON. To Judge Leedom, I have been about a year. Prior to that time I was also chief legal assistant to Board Member Reynolds and Board Member Peterson, and so since Taft-Hartley I have been in this capacity.

The CHAIRMAN. How long have you been connected with the National Labor Relations Board?

Mr. COMPTON. About 20 years.

The CHAIRMAN. About 20 years.

Mr. COMPTON. Yes, sir.

The CHAIRMAN. You have counsel present with you, to represent you?

Mr. COMPTON. He is my associate and assistant.

The CHAIRMAN. Will you be sworn, too, sir, as we may desire to interrogate you.

You do solemnly swear that evidence you shall give before this Senate select committee shall be the truth, the whole truth and nothing but the truth, so help you God?

Mr. KUSKIN. I do.

The CHAIRMAN. Be seated and state your name and place of residence and your business or occupation.

Mr. KUSKIN. Harry H. Kuskinn, 2511 Harmon Road, Silver Spring, Md., and I am associate chief legal assistant to chairman of the board, Boyd Leedom.

The CHAIRMAN. Thank you very much.

All right, you may proceed.

Mr. KENNEDY. Mr. Chairman, there have been some questions raised about some of the practices of various employers in connection with unions and antiunion activity, and I thought it might be well if we had somebody from the National Labor Relations Board to discuss the act, and some questions we might have to ask him on specific events as to whether they are violations of the Taft-Hartley Act or unfair labor practices under the Taft-Hartley Act.

(At this point, Senator Curtis entered the hearing room.)

Mr. KENNEDY. Specifically, I would like to ask you if a union comes in to organize an employer, as an example the retail clerks come in to organize an employer, and the employer is against the union, and if the employer takes action either himself or through an agent and gets an outside agent to set up a group of employees and the purpose of the employees' group which is formed into a committee, is to oppose unionization, is that an unfair practice?

Now, in the event the employees' committee is financed by the company directly or indirectly and there is literature passed out by this employees' committee and that is financed by the company directly or indirectly; and the third element is that the lawyer is brought in to advise this employees' committee and he is financed by the company either directly or indirectly—when I talk about “indirectly” I mean through a third party, an outside party.

Now, in your opinion, would this action on the part of the company constitute an unfair labor practice?

Mr. COMPTON. I would say it would. It would constitute a violation of section 8 (a) (1), which prevents an employer from any interference or restraint of its employees in their attempts to organize.

Senator CURTIS. How long is that section 8 (a) (1) that you referred to?

Mr. COMPTON. 8 (a) (1)—how long it is?

Senator CURTIS. Yes; you just referred to it.

Mr. COMPTON. Well, it is several lines and sentences.

Senator CURTIS. I would like to have it read in the record right here. This is something we may want to turn back to.

Mr. COMPTON. Yes, sir.

Mr. KENNEDY. Here it is.

Senator CURTIS. I will give it to you, and you read the section in that you referred to.

(At this point Senator Goldwater entered the hearing room.)

Mr. COMPTON. This is section 8 (a) (1) :

It shall be an unfair labor practice for an employer to interfere with, restrain, or coerce employees in the exercise of the rights guaranteed in section 7.

Would you like to have me read section 7?

Senator CURTIS. Yes.

Mr. COMPTON (reading) :

SEC. 7. Employees shall have the right to self-organization, to form, join, or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in other concerted activities for the purpose of collective bargaining or other mutual aid or protection, and shall also have the right to refrain from any or all of such activities except to the extent that such right may be affected by an agreement requiring membership in a labor organization as a condition of employment as authorized in section 8 (a) (3).

Senator CURTIS. Now, is there any other section that restrains the employer in contacting a committee or a labor organization?

Mr. COMPTON. If any committee that is set up in the plan may be found to meet the definition of a labor organization, any assistance of any kind to that organization would violate section 8 (a) (2) of the act.

Senator CURTIS. Now, that particular section relates to a labor organization in the sense it is a defined term, is it not?

Mr. COMPTON. It is a defined term; yes.

Senator CURTIS. By a "defined term" it means in substance that it is the collective organization?

Mr. COMPTON. To deal with an employer regarding the employees.

Senator CURTIS. And it would qualify as a defined term after it became a certified union, would it not?

Mr. COMPTON. It does not have to become a certified union. We will certify it if it is a labor organization and otherwise it could not be certified.

Senator CURTIS. Well, suppose it is a labor organization in other establishments, but has not been recognized as one in the establishment in question. Then is it a labor organization within the meaning of this last section you referred to?

Mr. COMPTON. Well, if it could be deemed to be the same organization that was working in this plant, and had been set up for the purpose of dealing with employers with respect to their employees, the fact that it had not actually engaged or achieved that status by dealing with the employers would not affect its status as a labor organization.

That would be my opinion. It exists for that purpose, generally.

Senator CURTIS. Is a "vote 'no' committee" a labor organization within the meaning of this section?

Mr. COMPTON. That I would say would depend upon whether in other aspects they met the definition in the act. If that were the bare thing, I would say it did not meet the definition.

Senator CURTIS. Now, will you read that section we have been talking about?

Mr. COMPTON. You mean 8 (2), the assistance?

Senator CURTIS. Yes.

Mr. COMPTON. This is the same thing.

It shall be an unfair labor practice for the employer to dominate or interfere with the formation or administration of any labor organization or contribute financial or other support to it: *Provided*, That subject to rules and regulations made and published by the Board pursuant to section 6, an employer shall not be prohibited from permitting employees to confer with him during working hours without loss of time or pay;

Senator CURTIS. Now, what are the sections relating to the free-speech aspects of the employer's rights?

Mr. COMPTON. That is section 8 (c).

Senator CURTIS. Would you read that into the record?

Mr. COMPTON (reading):

The expressing of any views, argument, or opinion, or the dissemination thereof, whether in written, printed, graphic, or visual form, shall not constitute or be evidence of an unfair labor practice under any of the provisions of this act, if such expression contains no threat of reprisal or force or promise of benefit.

Senator CURTIS. Now, were all of those sections enacted at the same time?

Mr. COMPTON. I believe they were.

Senator CURTIS. They have substantially the same legislative history?

Mr. COMPTON. Well, of course, you mean as of Taft-Hartley. You are not speaking of the old Wagner Act?

Senator CURTIS. I mean of the Taft-Hartley law.

Mr. COMPTON. Of the Taft-Hartley Act?

Senator CURTIS. Yes, so would it be correct to say that section 8 (1) should be interpreted in the light of section 8 (c), and vice versa?

Mr. COMPTON. It generally is.

Senator CURTIS. Now, would it be correct to say that section 8 (2) should be interpreted in the light of section 8 (c), and vice versa?

Mr. COMPTON. That is true. That is generally considered to be true.

Senator CURTIS. They have to be taken together?

Mr. COMPTON. Pardon me.

(The witness conferred with Mr. Kuskin.)

Mr. COMPTON. I want to make it clear that 8 (c) does not limit 8 (2) entirely.

Senator CURTIS. I did not say they limited it, but they have to be read together?

Mr. COMPTON. It would be read together because if we had an 8 (2) charge and the 8 (c) issue was raised as to something that he had done that was being brought forward as support for an organization, if it fell within the 8 (c) language, of course, it would be free speech, and be protected. We could not use that as an unfair-labor practice.

Senator CURTIS. What do the terms in section 8 (1), the words, "interfere, restrain, and coerce" mean? Do they mean anything beyond their plain dictionary meaning?

Mr. COMPTON. I would say that the Board in its decisions has perhaps arrived at things that might not quite coincide with the plain dictionary meaning. We take into consideration in finding that, of course, labor conditions, and situations that exist and what the congressional intent was in prohibiting such type of interference.

So I would say it would not be exactly coterminous with the definition in the dictionary.

Senator CURTIS. An expression of views, or an argument or an opinion would not necessarily be interference or restraint or coercion; would it?

Mr. COMPTON. No, it would not.

Senator CURTIS. What was the point in the case that went to the court? I believe it is referred to as the Cleveland Trust case; is that correct?

Mr. COMPTON. I am sorry, I can't remember that one.

Senator GOLDWATER. In order to assist the Senator, I have the Cleveland case here.

Senator CURTIS. I lost the book that had it in. I am glad to find that you have it.

Senator GOLDWATER. Would the Senator yield so that I might put pertinent parts of this in the record at this point, because I think it is very pertinent.

Senator CURTIS. Do you have the NLRB case or the court case?

Senator GOLDWATER. I have the court case that reversed the decision.

The CHAIRMAN. Let the Chair suggest that if you will mark the pertinent parts to have printed in the record, the Chair will order them printed in the record at this point, and of course, you may refer to them.

Senator GOLDWATER. I would rather have it done that way for accuracy, but there were only two paragraphs in here that I felt were important to this instance. This, I believe, is the only case that we have had in the courts yet that pertains to the subject we are discussing here.

Some of the language of the court in referring to the opinion, such as we are discussing here, said:

The committee clearly was not a labor organization for the uncontradicted testimony shows that it was formed for the sole purpose of opposing unionization, that it worked to that single end, and was disbanded after the election.

The opening statement in paragraph (7) says:

The finding and decision of the Board that the respondent committed an unfair labor practice by paying for the mimeographing and distribution of letters at the request of employees who opposed union representation cannot be sustained.

Mr. Chairman, I am not going to bore the group with this entire reading, as you suggested, it will be put in the record, but they say further that the total expense of mimeographing and distributing amounted to \$468.24.

The union conceded at the hearing that it had expended at least an equal amount to mailings to the employees various union newspapers and literature under the 7 months of the campaign and they go on further and state:

We think the broad provisions of the statute clearly cover and protect this action.

And the final decision of the court was that the petition for enforcement is denied. That is the United States Court of Appeals in the Sixth Circuit, May 27, 1954, *NLRB v. The Cleveland Trust Co.* It is in Federal Reporter, 2d series, 214, on page 95.

Mr. Chairman, I will submit this for printing.

The CHAIRMAN. Would you indicate to the reporter the section or paragraphs you wish to have in the record?

Senator GOLDWATER. It is very short and it only covers three pages and it is so important to this discussion.

The CHAIRMAN. Do you want all of it?

Senator GOLDWATER. I think the whole thing should be put in the record.

The CHAIRMAN. Without objection, it will be printed in the record at this point.

(The decision is as follows:)

NATIONAL LABOR RELATIONS BOARD V. CLEVELAND TRUST CO. No. 11966

United States Court of Appeals, Sixth Circuit, May 27, 1954

Proceeding on petition to enforce National Labor Relations Board's order directing employer to cease and desist from unfair labor practices. The Court of Appeals, Allen, Circuit Judge, held that evidence on issues of whether employer had granted wage increases and increased vacations for purposes of discouraging union membership, and whether it had interrogated employees and warned them to refrain from joining union did not support finding that employer had been guilty of unfair labor practices.

Petition for enforcement denied.

1. *Labor Relations (key)* 594

The National Labor Relations Board is not authorized to ignore material uncontradicted facts (National Labor Relations Act, par. 1 et seq., as amended, 29 U. S. C. A., par. 151 et seq.; Administrative Procedure Act, par. 7 (c), 5 U. S. C. A., par. 1006 (c)).

2. *Labor Relations (key)* 384

That employer, in noncoercive letter expressing opposition to union, called employees' attention to benefits they enjoyed, and to a general wage increase already made, outside usual schedule, the date of increase being advanced because of competitive pressure from similar organizations, increased cost of living, and threatened wage freeze, did not constitute an unfair-labor practice (National Labor Relations Act, par. 8 (c), as amended, 29 U. S. C. A., par. 158 (c)).

3. *Labor Relations (key)* 383

An employer is entitled, in absence of coercion or promise of benefit, to recount the beneficial effects of the relationship with his employees, without being guilty of an unfair labor practice (National Labor Relations Act, par. 8 (c), as amended, U. S. C. A., par. 158 (c)).

4. *Labor Relations (key)* 556, 576

In proceeding before National Labor Relations Board on unfair-labor-practices complaint, evidence did not support finding that vacation increases and wage increases had been given to discourage union membership, rather than as a result of competitive pressure from similar organizations, increased cost of living, and threatened wage freeze (National Labor Relations Act, par. 8 (c), as amended, 29 U. S. C. A., par. 158 (c); Defense Production Act of 1950, par. 1 et seq., 401, 402 (b) (1), (c), 403 (b), 702 (e), 50 U. S. C. A. Appendix: par. 2061 et seq., 2101, 2102 (b) (1), (c), 2103 (b), 2152 (e); Executive Order No. 10161, 50 U. S. C. A. Appendix, par. 2071 note).

5. *Labor Relations (key)* 539

In proceeding on unfair labor practices, complaint, wherein employer was charged with an unfair-labor practice in awarding a wage increase to discourage union membership, burden of proving that the raise was illegal rested upon the National Labor Relations Board, National Labor Relations Act (pars. 1 et seq., as amended, 29 U. S. C. A., par. 151 et seq.).

6. *Labor Relations (key)* 393

Employer was entitled, in view of admitted cost-of-living increase, to increase his employees' wages, without being guilty of an unfair-labor practice, and

was not required to refrain from benefiting his employees in order to make them more inclined to vote for a union.

7. *Labor Relations (key)* 367, 380, 381

That employer paid for mimeographing and distributing letters prepared by an employees' committee, which was not a labor organization but an antiunion group, did not constitute domination or interference with the formation or administration of a labor organization or contribution of support to a labor organization. (National Labor Relations Act, par. 8 (a) (2), as amended, 29 U. S. C. A., par. 158 (a) (2)).

8. *Labor Relations (key)* 366

That employer openly contributed to expense of preparing and distributing letters, which were written by an employees' committee, which opposed union organization, but which contained nothing coercive nor any promise of benefit, did not constitute an unfair labor practice. (National Labor Relations Act, par. 8 (c), 29 U. S. C. A., par. 158 (c)).

9. *Labor Relations (key)* 557, 570

In proceeding on unfair labor-practices complaint, evidence did not support finding that employer had been guilty of unfair practices in respect to interrogating employees concerning union affiliation and warning them to refrain from joining union. (National Labor Relations Act, par. 8 (c), as amended, 29 U. S. C. A., par. 158 (c)).

Frederick U. Reel, Washington, D. C., George J. Bott, David P. Findling, A. Norman Somers, Frederick U. Reel, Jean Engstrom, Washington, D. C., on brief for petitioner.

Welles K. Stanley, Carl H. Clark, Stanley, Smoyer & Schwartz, Cleveland, Ohio, Hawley E. Stark, Douglas, Stark, Jett & Biechele, Cleveland, Ohio, for respondent.

Before SIMONS, Chief Judge, and ALLEN and MILLER, Circuit Judges.

ALLEN, *Circuit Judge*.

This petition to enforce an order of the National Labor Relations Board arises out of a complaint charging that the respondent violated the National Labor Relations Act (29 U. S. C. A., par. 151 et seq.) in the alleged discriminatory discharge of employee William Sorger, in the granting of wage increases and increased vacations with pay to the employees for the purpose of discouraging membership and activities on behalf of the union, and that it interrogated employees concerning their union affiliation and membership and warned them to refrain from becoming members of the union.

The trial examiner found that the discharge of Sorger was for cause without knowledge of Sorger's activities on behalf of the union and was not discriminatory. The Board concurred in this ruling, but held that upon the other charges the respondent had been guilty of unfair labor practices, and issued the usual cease and desist orders.

Respondent gave its employees two wage increases, one on November 21, 1950, and one on April 1, 1951. The union drive for membership was begun in the fall of 1950 and open organization meetings were held on October 19th and November 2d in Cleveland, Ohio.

The trial examiner found that because of a sudden turnover in employment in the area, the raising of wages by other employers in competing banks, the inflationary trend in the national economy, the rise in income-tax rates, plus the threat of a wage freeze, the respondent did not by granting the increase of November 21, 1950, violate the Act.

This finding was not sustained by the Board, which held the increase to be an unfair labor practice because it was announced in a letter which expressed hostility to the union.

The sending of the letter by respondent to its employees, dated November 21, 1950, which announced a salary increase effective November 15, 1950, came about as follows:

When the union began to organize its campaign, some of the bank's employees asked their supervisors for information concerning the union. These inquiries were referred to management, and the president of the bank gave an extended talk to the supervisors. A copy of this talk was mailed to each employee November 21, 1950. The statements of fact made in this letter are not controverted.

Both the examiner and the Board found that it contained no coercive or illegal statements and was protected by Section 8 (c). In substance, the supervisors were instructed as follows:

The employees have a right to join a union and to convince others to join so long as the campaign is carried on during nonworking time. Employees have an equal right to refuse to join the union and to convince others that they should not join; if they have joined they have a right to withdraw.

The antiunion campaign must also be carried on in nonworking time. Representatives of management can neither threaten nor intimidate employees in the making of their choice, nor promise a benefit. Management representatives must refrain from interrogating employees regarding union activities, and must not ask any employee if he has joined a union or attended union meetings, if he knows who has joined, and if he knows who has attended a meeting.

The letter called attention to benefits enjoyed by the employees, such as group life and accident insurance carried without cost to employees and the pension plan for employees which had been in effect for many years. It also stated that employees with over 19 years' tenure would receive a three weeks' annual vacation with pay instead of the two weeks' paid vacation theretofore granted.

Under Section 702 (e) of the Defense Production Act of 1950, this increase in vacations with pay was included in the phrase "wages, salaries, and other compensation" (64 Stat. 816) authorized to be stabilized or frozen.

If the increase in vacation periods had not been granted prior to the issuance of the freeze order, January 26, 1951, which was expected to be made shortly, the increase in vacations could not have been given without the prior approval of the Wage Stabilization Board.

The reason for the salary increase was stated in the letter to be the recent increase in the cost of living, the increase in the federal income tax, and the possibility of a threatened wage freeze in the immediate future.

The vacation increase for the employees with 19 years' service had been discussed for a number of years. Similar increases had recently been made by other banks. 384 out of 1,900 employees of respondent were eligible for this three weeks' vacation. This explanation given fully in respondent's answer was not controverted in the evidence. Counsel for the Board in open court stated that he did not question the truth of respondent's statements in its literature. The Board offered no testimony, and respondent's explanation of its reasons for the salary and vacation increases is undisputed.

The Board set aside the finding of the trial examiner that the increase of salaries put into effect November 21, 1950, did not constitute a violation of the Act.

The Board ruled that, since the wage increase was announced in the letter described above and about six weeks in advance of the regularly scheduled review of wages, this increase was intended and calculated to influence the employees to reject the union as their collective-bargaining representative.

The question, therefore, is squarely posed whether, in view of Section 8 (c), it is a violation of the Act for an employer, in a noncoercive letter expressing opposition to the union, to call the employees' attention to benefits already enjoyed by the employees, such as insurance without cost to the employees, pension plans, a change in vacation benefits already determined, a general wage increase already made, granted outside of the usual schedule, the date being advanced admittedly because of competitive pressure from similar organizations, conceded sharp increases in the cost of living and action of the Wage Stabilization Board.

(1) The finding that the announcement of the advancement of increases in salaries to November 21, 1950, was made in order to encourage opposition to the union and violates the Act, ignores various emphatic circumstances. The explanation of the increase made by the respondent has never been denied.

The Board is not authorized to ignore material uncontradicted facts. It is required under Section 7 (c) of the Administrative Procedure Act (5 U. S. C. A., par. 1006 (c)) to impose no sanction or rule or order or issue any rule or order "except upon consideration of the whole record * * * and as supported by and in accordance with the reliable, probative, and substantial evidence."

(2) (3) Moreover, the letter itself is a written statement, and Section 8 (c) protects any and all statements made by employers which contain no threat of reprisal or force or promise of benefit. The letter was found by both the examiner and the Board to be protected by 8 (c), in other words, to contain neither promises nor threats.

As to the increase of November 21, 1950, the trial examiner who heard the witnesses stated that the testimony of Kingsbury, respondent's personnel director,

and the principal witness as to the increases, was credible and uncontroverted. The proposition for this particular increase was made in the late summer of 1950, when Kingsbury learned from personnel officers of two competing banks that they planned salary increases.

In August 1950 Kingsbury discussed with the bank's president the advisability of taking similar action, and recommended it. This was several weeks prior to the first organization meeting of the union (September 21, 1950 and prior to any knowledge on Kingsbury's part of union activities).

On October 5, prior to the union's first open meeting (October 19, 1950), Kingsbury renewed this proposition with the bank's president. The probability of the increase was announced to a group of the bank's branch managers on October 11, and the usual meetings to arrange the details of the increase with the branch managers and department heads followed.

The fact that it was announced in a statement in which the bank expressed opposition to the union does not make the increase an unfair labor practice. It is not a promise of future economic benefit when an employer recounts that an increase in salary has already been made, nor is it a violation of the Act to announce it. An employer is entitled, in absence of coercion or promise of benefit, to recount the beneficial effects of the relationship with his employees. This is part of freedom of speech, and upon this point the order of the Board cannot be enforced.

(4) As to the vacation increases, it is not disputed that they were made under the threat of wage stabilization, which was ordered in January 1951, and that they were a part of the picture of inflationary inequities operating upon these employees with fixed salaries intended to be covered by the provisions for wage stabilization, which was ordered in January 1951, and that they were a part of the picture of inflationary inequities operating upon these employees with fixed salaries intended to be covered by the provisions for wage stabilization.

There is no evidence in the record that the vacation increases were determined in order to influence employees to vote against the union.

(5) The increase of April 1, 1951, also held invalid, was not announced in advance. No evidence was adduced controverting respondents sworn statement that this wage increase was made to correct inequities created by the increase in the cost of living. The Wage Stabilization Board in its General Order No. 6 issued February 27, 1951, had declared that a 10 percent salary increase was necessary "to correct such inequities as have arisen because of disparities between increases in wages and salaries and the increase in the cost of living since January 15, 1950." From June 15, 1950, to February 15, 1951, the Cost of Living as shown by the United States Bureau of Labor Statistics, Cost of Living Index, increased by 4.6 points. From October 15, 1950, to February 15, 1951, the Cost of Living Index increased by 9.6 points. The aggregate amount of respondent's November 15th and April 1st increases did not exceed the 10 per cent increase found necessary by the Wage Stabilization Board to correct these inequities.

While the April 1st increase was made after the union had filed its petition for representation, it was before the union had established that it had the necessary number of cards to demand the holding of an election. The election was a consent election and the second increase was made four weeks before the union and the bank agreed to the election and seven weeks before the election.

We think the finding that the second increase constitutes an unfair labor practice is not based upon the record considered as a whole and arises out of an erroneous conception of the applicable law. The trial examiner stated that the explanation regarding the second increase is "not convincing."

The Board adopted this finding. But the burden of proof rests not upon the bank to convince the Board that the raise was not in violation of the Act but upon the Board to prove that the raise was illegal (*NLRB v. Asherville Hosiery Co.*, 4 Cir. 108 F. 2d 288; *Martel Mills Corp. v. NLRB*, 4 Cir., 114 F. 2d 624; *NLRB v. Illinois Tool Works*, 7 Cir., 119 F. 2d 356; *Indiana Metal Products Corp. v. NLRB*, 7 Cir., 202 F. 2d 613; *Cupples Co. Manufacturers v. NLRB*, 8 Cir., 106 F. 2d 100; *Laur v. NLRB*, 10 Cir., 192 F. 2d 236).

(6) The Board considered that, since the bank in the middle of May mailed out the noncoercive letters of various employees opposing the union, an inference was raised that its salary increase made on April 1st was for an unlawful purpose. But the uncontradicted testimony as to the reason for this increase, which was the same as for the increase of November 21st, forbids such an inference.

On the record considered as a whole, the bank made these increases for exactly the reason stated in the respondent's sworn answer and in respondent's

testimony, much of which the trial examiner found to be uncontradicted and credible. None of the testimony was found to be false. Moreover, the employer was not compelled to ignore the inequity created by high living costs and recognized by a national official board.

Such a principle would mean that it is the duty of the employer to refrain from benefiting his employees in order to make them more inclined to vote for a union. A similar holding was made in *NLRB v. W. T. Grant Co.* (4 Cir., 208 F. 2d 710, 712).

The court decided that an increase in wages between the date of hearing and the date of the election was not made to discourage union membership and did not amount to an unfair labor practice. As the court pointed out:

"Certainly it cannot be laid down as a governing rule that during a union campaign, management must deny to its employees increased advantages which in the absence of the campaign would be granted. It should be noted that in this case there was no certified union with which the employer could bargain and therefore the case does not fall within the ruling that an employer should not grant an increase of wages without notice to a duly appointed bargaining agent, since such action minimizes the influence of organized bargaining."

The court held that the Board's conclusion that the purpose and effect of the wage increase was unlawful and unfair is based only on an inference too tenuous to support its order. Cf. *Peter J. Schreitzer, Inc. v. NLRB*, 79 U. S. App. 178, 144 F. 2d 520, 524; *NLRB v. Bailey Co.*, 6 Cir., 180 F. 2d 278, decided by this Court presents a different factual situation and is not controlling here.

In that case the employer was not confronted with the situation created by the Korean crisis, the inflation, the Defense Production Act, a wage freeze order of the Wage Stabilization Board, and the further order permitting an increase of wages in order to correct these inequities. The decision of the Board with reference to the increases of November 15, 1950, and April 1, 1951, is set aside.

(7) The finding and decision of the Board that the respondent committed an unfair labor practice by paying for the mimeographing and distribution of letters at the request of employees who opposed union representation cannot be sustained. Three letters drawn up by employees were mimeographed and mailed by the bank at the request of the employees.

Two of these were framed by the so-called employees' committee headed by Wayne Moffit. The trial examiner found that the employees' committee was a labor organization, but the Board reversed this finding. The committee clearly was not a labor organization for the uncontradicted testimony shows that it was formed for the sole purpose of opposing unionization, that it worked to that single end, and was disbanded after the election. Hence, the respondent's dealings with the committee, which were initiated by the employees themselves, do not constitute domination of or interference with the formation or administration of any labor organization or contribution of financial or other support to it, which under Section 8 (a) (2) is declared to be an unfair labor practice.

(8) The third letter was drafted by an employee of the Real Estate Loan Department and signed by numerous men and women in his department. It is uncontradicted that the proposition of taking action about the coming election and of mailing the letters emanated from the employees themselves.

The only suggestion of respondent's attorney with reference to the form of the letters were that three statements critical of union sympathizers be deleted from the letters of the employees' committee. The total expense of mimeographing and distributing amounted to \$468.24. The union conceded at the hearing that it had spent at least an equal amount on mailing to the employees various union newspapers or literature during the entire seven months of the campaign.

There was no secrecy as to who defrayed the expenses of the letters and certainly no unfair advantage over the union, which exercised the same privilege. Apart from these circumstances, the mailing was protected by Section 8 (c), which provides that the expressing of any views, argument, or opinion, or the dissemination thereof, whether in written, printed, graphic, or visual form, shall not constitute or be evidence of an unfair labor practice under any of the provisions of the Act, if such expression contains no threat of reprisal or force or promise of benefit.

It is not contended that anything in these letters was coercive or that they contained any promise of benefit. The contention is that the employer had no right to express or disseminate the views of the employees at their request.

We think the broad provisions of the statute clearly cover and protect this action.

(9) The finding of the Board with reference to coercive statements charged to have been made by two supervisors insofar as these statements are found to constitute an unfair labor practice on the part of the respondent is not supported by the applicable law.

The trial examiner found that the occurrences charged were "isolated incidents" and that, although "there was considerable activity engaged in by union employees as well as nonunion employees during working time * * * no employee was visited with reprisals for engaging in such activities." He found that the coercive statements did not constitute an unfair labor practice on the part of the employer.

Approximately 200 supervisors with varying degrees of authority are employed by respondent. The president had stated to the employees in several letters that they were free to engage in union activities outside of working time and to join and vote either for or against the union.

The two instances charged to constitute violations of the Act each involved only a single conversation with two separate employees and had been specifically forbidden by the president's letter. Some six months prior to the election an employee had requested a supervisor to be allowed to copy his list of names and addresses of all the employees in his department.

This request was refused and in the talk which followed the supervisor said, "Are you satisfied with your job?" and, "I hate to see you hurt yourself." This conversation took place the day before the supervisor and the employees received the copies of the talk given by the bank's president condemning such statements. The occurrence was not reported to the management.

The other incident occurred several weeks after the election when another supervisor reprimanded an employee for leaving her work during working hours to talk with a claimed officer of the union who was also an employee. The employee reprimanded said that she had been discussing a matter of personal business, but the supervisor made coercive statements to her as to union matters.

The supervisor was reprimanded for this conduct by his immediate superior, and the employee criticized was reminded on the witness stand of the request by the management of the bank that under such circumstances criticism of supervisors for violations of rules should be given to management.

The court in *Pittsburgh Steamship Co. v. NLRB* (6 Cir., 180 F. 2d 731, affirmed 340 U. S. 498, 71 S. Ct. 43, 95 L. Ed., 479), considered a similar situation in which more extensive violations of the express instructions of the employer by a few minor supervisors were concerned and held that these violations could not be imputed to the employer.

The petition for enforcement is denied.

Mr. KENNEDY. Could I point out one part which distinguishes it from what we have been looking into here, and that is the statement made—

Hence, the respondent's dealings with the committee, which were initiated by the employees themselves, do not constitute domination to or interference with the formation or administration of any labor organization or contribution of financial or other support to it.

What we have been looking into is not where the employees' committee has been set up independently, but where the company has come along and set up an employees' committee for the purpose of working against the union.

Now, I think that there is one step beyond that. This is an employees' committee and not a labor organization. Then we would go into the next step where there is an actual labor organization, but I think that the question at least that I asked him initially was not even conceding that it was a labor organization, but just a committee, and it was a question where the company came in and set up the committee itself rather than the committee being set up by the employees.

Senator GOLDWATER. I am not offering this for any defense for anybody who has appeared here in this. It is the only case that has

been cited up to now by any of the witnesses, and I had my lawyers look it up. It is the only case, as I understand it, that has ever been before the courts that could ever approach this. Now, there may be other cases, and I have not been told of them.

I think the reading of this will point out the decision of the court. As I say, I do not offer this in defense and I only offer it so that the committee might act in a more informed way when we work on legislation.

Senator CURTIS. Mr. Chairman?

The CHAIRMAN. Senator Curtis.

Senator CURTIS. Do you have any comment on this case referred to?

Mr. COMPTON. No, not particularly. The Board there felt that the employer was dipping down too deep into its employees' activities and found it.

Now, the court disagreed on the facts. That case has never been tested, of course, to the Supreme Court. The Board has never reversed the decision in the light of that decision.

The CHAIRMAN. Is that case on appeal to the Supreme Court?

Mr. COMPTON. No; not that I know of.

Senator CURTIS. I want to ask you this: Did you say the Board has not changed its position?

Mr. COMPTON. I mean, so far as my recollection is, it is that we have not reversed our decision on that type of situation. If we would find an exact case of that kind, so far as I know, as I can say right now, I would assume the Board might find the same way with due deference to the circuit, or perhaps it might bow to the circuit. I am not clear what it would do in an exact duplication of that situation.

Senator CURTIS. The Board was reversed in this particular case?

Mr. COMPTON. Yes.

Senator CURTIS. And what you are saying means that while it was reversed in that particular case, it has not changed your position in regard to other cases?

Mr. COMPTON. Let me say I am not saying that definitely. I know of no case wherein the Board with full deference to that circuit has adopted a different principle than set down originally in its decision. We generally follow the circuit. In the same circuit we will show deference to them there. In other circuits we will not do so. In many instances we will pursue the principles we have set down until such time as we can test them before the Supreme Court.

Senator CURTIS. In other words, you would say that this was the law in the sixth circuit?

Mr. COMPTON. It is the law in the sixth circuit.

Senator CURTIS. And so recognized by the Board?

Mr. COMPTON. And I say, I know of no case that we have gone against a circuit when we have the identical situation. It is very hard to concede in 8 (1) situation of interference that the cases would be so identical that we might refuse to take it to the court.

Senator CURTIS. I understand there is always the question of distinguishing your case from the cases cited. That makes it extremely difficult to discuss hypothetical cases. One factor may be added.

Mr. COMPTON. That is true.

Senator CURTIS. Or greater weight placed on one factor. But I want to get your views just a little clearer as to whether or not, if an

employer has knowledge of and, we will even say, assists and encourages, the formation of a vote "no" committee, and directly or indirectly assists them financially, and that vote "no" committee is not a labor organization defined in the act, is such action on the part of the employer a violation of the law? And, if so, a violation of what section?

Mr. COMPTON. You are asking my opinion, I trust.

Senator CURTIS. Yes.

Mr. COMPTON. You see, you broadly state "Has assisted." Under the hypothesis given by Mr. Kennedy, I said that monetary assistance, stepping down in there and helping the employees, financing them in a campaign of resist the union, would be, in my opinion, a violation of section 8 (a) (1). It would be such interference and restraint of employees that it would be an unfair labor practice.

Senator CURTIS. It would be a violation of what section?

Mr. COMPTON. 8 (1). Unless it were found to be a labor organization, 8 (2) would not come into play.

Senator CURTIS. Then it is your holding that if the employer gives any financial assistance to a vote "no" committee, even though the vote "no" committee is not a labor organization as defined, it is a violation of section 8 (1)?

Mr. COMPTON. I will have to qualify it. "Any" is a broad term.

Senator CURTIS. I think this: I think the workers, the union, and the employer—maybe it isn't your fault, maybe it is Congress' fault—I think that all the parties are entitled to know what the law is. Is it the law that an employer cannot give any financial assistance to a vote "no" committee that is not a labor organization without being in violation of the law?

Mr. COMPTON. Let me explain this. The Board would have to look at the amount, and whether the Board would find that this amount of financial assistance given was of a sufficient substance to constitute a violation of the act is a matter, perhaps, of degree. I can't speak for the Board for every situation as to the type. Suppose the company handed out a few postage stamps? It would be financial assistance. Whether the Board would find that was enough to issue an 8 (1) order against the company is something I cannot say.

Senator IVES. Would the Senator yield at that point? I would like to clear up something.

Senator CURTIS. I will in just a moment.

On this degree, you would classify that as interference? You wouldn't classify it as restraint or coercion?

Mr. COMPTON. It would be more in the nature of an interference or restraint, because, by financing I suppose they are restraining the free choice of the employees. It would clearly be in the dictionary definition a type of interference to organize as they see fit. As far as coercion, in my opinion I would not think that the Board would find that it would be that type of a tactic, a coercive tactic.

Senator CURTIS. It seems to me, if that is a correct statement of the law, that the Congress has a job on its hands because all these parties should know whether or not there can be a financial assistance to a vote "no" committee rather than rely on the amount.

Are we to say that if they give them 50 percent as much as the union spends, that that is not interference? Or if they give them 25 percent? Or if they give them more than the union spends?

Mr. COMPTON. I would assume it would have to be in an amount that the Board felt was really of such interference that it would come within the type of thing the act didn't want to permit.

As I said, I throw out the postage-stamp idea. The Board might well say financial assistance of any kind, even down to a postage stamp. It would be my opinion that that would be so infinitesimal that it wouldn't. But I say in this field of degree, I certainly cannot speak for the Board upon a particular fact.

Senator CURTIS. I have one more question and then I will yield to you, Mr. Ives.

Senator IVES. I just want to find out one thing.

You are drawing a line in connection with the vote "no" committees as to whether they are organized voluntarily by the employees themselves, or whether they are organized as a result of company activity, company effort. Is there any point in drawing a line there? You are talking about the financing of the thing, but I would think the origin of the committee itself might have something to do with it. These vote "no" committees that I assume are being referred to now are committees that were not organized initially and basically by the employees. They were organized by outside help hired by the company. Do you draw any line there?

Mr. COMPTON. No, I couldn't draw between mere financial assistance and the company——

Senator IVES. I am not talking about financial.

Mr. COMPTON. No. I couldn't see where it would be where the company actually, rather than spending money in that fashion, goes out into the plant and deliberately organizes its own committee. It has made speeches of that type that have been before the Board, where it says that they proposed "Why don't you handle your own affairs," but then you get down into a different idea. But if it went down into the plant and actually organized this committee or had an agent do it, I would regard that as unfair.

Senator IVES. You would regard that as unfair?

Mr. COMPTON. Yes.

Senator IVES. An unfair labor practice?

Mr. COMPTON. Yes.

Senator IVES. Suppose the employees themselves organized a committee of that type, voluntarily, through no company pressure of any kind, through no outside pressure of any company, and then the company contributes to their effort. Would you regard that as an unfair labor practice?

Mr. COMPTON. As I say, that would be granting assistance to one side of a labor movement among the employees.

Senator IVES. Then that is an unfair labor practice?

Mr. COMPTON. I would say that would be.

Senator IVES. Thank you.

The CHAIRMAN. The Chair would like to ask 2 or 3 questions.

Have you concluded, Senator Curtis?

Senator CURTIS. I will come back to this. Go ahead.

The CHAIRMAN. We can get into these technicalities and go on indefinitely, but I want to get 1 or 2 things clearer in my mind. It is as the press frequently says on these programs, the questions asked do not necessarily reflect their own views. I want to ask some questions not necessarily representing my views.

The first thing I want to know is if all of this doesn't come within the category of interpretation of the act. That is, there is nothing in the act that refers to a "no" vote committee as such.

Mr. COMPTON. No, there certainly isn't.

The CHAIRMAN. So it comes within these general terms, these general provisions of interference, restraint, and coercion; is that correct?

Mr. COMPTON. It would come within those general terms.

The CHAIRMAN. So in each instance, when something comes before the Board, it has to take the particular circumstances and the evidence associated with that charge of unfair practice.

Mr. COMPTON. That is true.

The CHAIRMAN. And it is very difficult to sit here and say "this is an unfair practice" or "that is an unfair practice."

Mr. COMPTON. That is correct.

The CHAIRMAN. Senator Ives was covering a point. Let's get to a vote "no" committee. Here is a drive on in a plant by some union to organize it. The members themselves, the workers, a group of them, conclude they do not want a union, and they start opposing it, and they form a committee and are active in trying to persuade their fellow workers not to join the union. That, so long as they do it themselves, is not an unfair labor practice?

Mr. COMPTON. Right.

The CHAIRMAN. The management can, at the same time, circularize them, hand out literature stating its reasons why there should not be a union. It can do that. That comes under the freedom of speech provision.

Mr. COMPTON. Yes, sir.

The CHAIRMAN. But the minute that—even if the committee is set up voluntarily by the workers—management undertakes to finance that committee, do you say then that that becomes an unfair labor practice?

Mr. COMPTON. I would say that is where the management interferes with its employees' activities, its union activities.

The CHAIRMAN. That would be supporting some of its employees' activities, but, at the same time, he would be opposing some of the others.

Mr. COMPTON. Right.

The CHAIRMAN. So the contribution or the financing of a voluntary no vote committee by management, in your judgment, is an unfair labor practice?

Mr. COMPTON. It is.

The CHAIRMAN. All right.

Now let's go further. Assume that management, when a drive is on to organize its plant, employs specialists, or experts. I will use the term "a Shefferman agency." Suppose he employs them to come in and help them in their fight to keep out a union, and the representatives of this agency employed from outside come in and confer with the no vote committee, gives it guidance, employs an attorney to assist it, helps prepare its literature and, in general, supervises the campaign of opposition to the organization of the plant.

Is that an unfair labor practice?

Mr. COMPTON. I would say that it would be an unfair labor practice if the Board would feel that the employer doing this, if the Board

could find that it was doing the same thing through an agent, if the Board found there was an agency relationship, it would be.

The CHAIRMAN. I can see no difference.

I think there is just as much impropriety, if any, or just as much liability, if any, on the part of the management, if management hires someone to do it for it as if it did it directly.

Mr. COMPTON. I suppose it would be analogous to the Board's usual finding.

The CHAIRMAN. Let me ask you another question. It is not an unfair labor practice for the workers who decide, and usually who are inspired to want to organize the plant, it is not an unfair labor practice for them to get the international representative of the labor organization down there and have the international pay the expense of the campaign to organize, is it?

Mr. COMPTON. Well, it would not be, so long as they committed no unfair labor practices under the act.

The CHAIRMAN. I am drawing one point here. Management now, according to your interpretation—and I am not disagreeing with it or agreeing with it—according to your interpretation of the statute, when a drive is on to organize a plant, management cannot go out and employ outside assistance and give aid through that assistance, financial and otherwise, to a no vote committee that may have been voluntarily set up by other workers who don't want the plant organized. That is correct, isn't it?

Mr. COMPTON. If, as I say, establishing an agent for the employer, and if the amount of interference comes within that degree.

The CHAIRMAN. Let's go one step further. Under existing law it is not an unfair labor practice for those seeking to organize the plant to go to the international, somebody on the outside, and bring in paid organizers in order to propagandize and campaign for a labor organization?

Mr. COMPTON. So long as the organization campaign is conducted within the confines of the statute and they do not engage in any unfair labor practices as unions.

The CHAIRMAN. If they engage in unfair labor practices, that is different. But I say the doing of that thing is not an unfair labor practice, to get the international representative and organizers to come down and help organize it, with his expenses paid by the international. Is that correct?

Mr. COMPTON. That is true.

The CHAIRMAN. Then the question would arise, and I am not passing judgment on it: If the local worker who wants to organize can go out and procure such outside assistance and have it financed, why should it be an unfair labor practice for the worker who doesn't want to organize to accept assistance from the outside, and not be an unfair labor practice?

Mr. COMPTON. The only thing is that the act prohibits an employer from assisting its employees. The age envisages a freedom from the employer's influence and assistance.

The CHAIRMAN. It gets down to a pretty close line, though, of equity and justice between the two sides.

Mr. COMPTON. I think the act draws that.

(At this point Senator Ives withdrew from the hearing room.)

The CHAIRMAN. Senator McNamara?

Senator McNAMARA. But if the union employed a Shefferman-type organization, to use the term that was previously used, would that be ruled an unfair labor practice on the face of it?

Mr. COMPTON. I am afraid, gentlemen, you are going to draw me into an area in which I feel only that the Board can speak. My opinions in this regard are only based upon cases that I have full knowledge of, and I certainly can't engage in all these hypotheticals in an area where the difference in circumstances are always taken into consideration by the Board. I would certainly not attempt to speak in that direction.

Senator McNAMARA. Let's talk about an actual case involving just that question. In the Morton Co. in Iowa, the Shefferman Co. was used to try to prevail upon the union seeking membership in the Morton Co. Shefferman was used to try to persuade the employees of the plant to join the union. This is an actual case, and not a hypothetical case. Our record has this. We have developed this in the last few days. This is not a hypothetical case.

Mr. COMPTON. You are asking—

Senator McNAMARA. I am asking if on the face of it this as an unfair labor practice on the part of the union to use this outside agency. It would be, you said, if management used it.

Mr. COMPTON. A union, if it is pursuing its organization in a lawful manner, as far as I know, in the use of any agents in so doing, there is no prohibition under the statute that I know of.

(At this point Senator McClellan withdrew from the hearing room.)

Senator McNAMARA. May I go a little further, or do you want to get in at this point?

Senator CURTIS. Go ahead.

Senator McNAMARA. I am not an attorney, and I do not say that by way of apology, but what labor law besides the Taft-Hartley Act is now in effect? The Hobbs Act is in addition to the Taft-Hartley, is it not? Do you have to consider cases that come under the Hobbs Act?

Mr. COMPTON. I don't think so. I don't know of any.

Senator McNAMARA. You don't know anything about the Hobbs Act?

(The witness conferred with his counsel.)

Mr. COMPTON. I have not had any experience in our consideration of that in the light of the Hobbs Act.

Senator McNAMARA. Then your cases mainly fall in the category of the Taft-Hartley Act?

Mr. COMPTON. Yes.

Senator McNAMARA. Wasn't the Taft-Hartley Act sort of a recodification of all the existing labor laws at that time, as I understand it? Is that correct?

Mr. COMPTON. I wouldn't say it was a codification of all of the labor laws that existed at that time.

Senator McNAMARA. Well, I understand that that was sort of a combining of all of the existing laws.

Mr. COMPTON. Not all existing laws.

Senator McNAMARA. It didn't take in all labor laws?

MR. COMPTON. No. Let's say that the Antitrust Act doesn't apply to labor laws. That is not involved in the statute. That is one that comes to mind.

Senator McNAMARA. I did not get that.

MR. COMPTON. The Clayton Act, I believe I am correct, which provides that the antitrust laws shall not apply to labor unions as in restraint of trade, that is not incorporated in the Taft-Hartley. That is one that comes to mind.

Senator McNAMARA. Well, there were some laws, generally referred to as the LaFollette Act, involving labor spies and such things, in an organizational drive. Would that be part, now, of the Taft-Hartley Act prohibiting the use of paid labor spies on the part of management?

MR. COMPTON. Nothing that I know of is in there.

Senator McNAMARA. That would fall in this category of coercion? (The witness conferred with his counsel.)

MR. COMPTON. Well, I think that was largely, as I say, as the background, the legislative background, for the Taft-Hartley Act. I think all of that came into it. But I mean as far as being bound up or specifically provided for as a substitute or something in this act, I have no recollection at this moment that that is true.

(At this point Senator McClellan returned to the hearing room.)

Senator McNAMARA. Since the adoption of the Taft-Hartley Act there have been cases involving what has been referred to as the Hobbs Act. Maybe you don't recognize it by that name. I don't know the legal name for it. It is the Antiracketeering Act.

MR. COMPTON. The Antiracketeering Act.

Senator McNAMARA. That is generally referred to as the Hobbs Act. Is that a part of the Taft-Hartley Act?

MR. COMPTON. As I say, it might in some cases have been brought in as a collateral matter, but it wouldn't be involved as affecting particular decisions of the Board. I mean, I am not visualizing right now where it was brought in. I have no recollection of it right now.

Senator McNAMARA. Thank you. That is all, Mr. Chairman.

Senator CURTIS. Mr. Chairman?

The CHAIRMAN. Senator Curtis.

Senator CURTIS. Coming back to this decision in the sixth circuit court, if a ruling, a future ruling of the NLRB was taken to court within the sixth circuit, this Cleveland Trust case would be the law in that circuit, for the courts to follow until the Supreme Court spoke otherwise; would it not?

MR. COMPTON. That would be true. It would be the law of that circuit, but not the law of the Board generally. That is true.

Senator CURTIS. I confined it to that.

(The witness conferred with his counsel.)

Senator CURTIS. I am not sure, then, that I follow all your answers to the chairman. Maybe we are running afield in hypothetical cases.

Is it your position that it is a violation of the law for the employer to contribute financially to a vote "no" committee that was in truth and in fact set up the employees themselves?

MR. COMPTON. Generally speaking I would say that is true. That is interference with their employees' activities that goes beyond free speech which 8 (c) permits an employer. I think that very case stands

for that proposition, that the employer had given financial support when he did what he did in that case.

Senator CURTIS. And the court said that was not a violation of the law?

Mr. COMPTON. The court said it was not a violation of the law.

Senator CURTIS. Do you agree with the court?

Mr. COMPTON. No, I do not, personally. I do not agree with the court's view in that respect.

Senator CURTIS. Now, by "personally" you do not agree, you do not mean that you are injecting your opinion as to what the law ought to be, but you do not feel that that is the law?

Mr. COMPTON. Well, it is the law as far as that circuit court is concerned. As I said before, I know of no case wherein the Board has reversed its feeling that that type of conduct as condemned in that case is not an unfair labor practice. I would assume at this point that the Board would continue to hold that that is an unfair labor practice generally in its cases.

I know of no case where the Board has said, "In accord with the opinion of that circuit, we hereby reverse our stand and say that this no longer constitutes an unfair practice." I know of no such case or opinion by the Board, and as far as the stand on our decisional books, I would say that is the holding of the Board today; generally speaking, that it is an unfair labor practice for the employer to give financial assistance to such a movement.

Senator CURTIS. I don't want to consume too much time in a discussion, but I want to go into this thing: Is it the theory of this law that both employees and employers should be free from outside interference in determining these matters?

Mr. COMPTON. Well, there is a difference, I suppose, in interference. A union has a right to go in and persuade and organize the employees within the limits of the Taft-Hartley Act. There are things the union cannot do in trying to organize.

Senator CURTIS. Is that a right of the employees, or is that a right of the union?

Mr. COMPTON. It is the right of the employees to be free of organizing tactics by the union that constitute unfair labor practices. That is why it was enacted, to control a union in its tactics in organizing the employees, so that they weren't coerced by a union.

Senator CURTIS. But that protection goes to the employees, and not to the union; isn't that correct?

Mr. COMPTON. Well, I would say it is aimed for the employees' protection, of course. The whole section deals with their right to engage in that activity.

Senator CURTIS. Suppose you are dealing with a small establishment of 20 employees, and not 1 of the 20 employees of their own free will and choice wants the union. Is there any restraint on the union on what they can do in organizing that plant, when they have not been invited by any of the employees and when all of the employees speak freely that they do not want to be organized?

Mr. COMPTON. That is the 8 (b) section of the statute.

Senator CURTIS. Which one?

Mr. COMPTON. The 8 (b) section of the statute put many restrictions on unions in their attempts to organize employees. They cannot

indulge in tactics that they had heretofore indulged in, and there are limitations on them as well as on the employer. They may not be of the same type, but nevertheless they are limitations.

For instance, your first section, they cannot coerce employees into joining a union, either.

Senator CURTIS. I am not sure, and I don't mean to be arguing with you, but I am not sure that I understand your answer to one thing. In reference to the sections that protect from acts of the employer, is that protection a protection to the employees or is it a protection that goes to a union that may not represent those employees?

Mr. COMPTON. It is for the employees because section 7, which is the preamble and the rights of the employees, is the main part or the heart of the act. It is the right of the employees to do free of coercion and interference by either an employer, and to the degree set forth in the statute by unions. It is to make up their minds purely voluntarily as to whether they want to join or they don't want to join.

Senator CURTIS. In other words, the employer is prohibited from doing certain things that interfere with his employees.

Mr. COMPTON. That is right.

Senator CURTIS. And it is not directed at restraining him from doing things that might interfere with an outside third organization; isn't that correct?

Mr. COMPTON. That is the theory of the act, to protect the employees.

Senator CURTIS. That is what I wanted.

Mr. KENNEDY. I have a few things I want to cover. We talked about this setting up of the committee, the company coming in and setting up the committee and the financing of its literature and financing of its attorney and paying for this, and the financing of the attorney and the setting up of the committee.

What if they take one step further and pay the people who operate the committee extra money, or punish those who are for the union? Is that in your estimation an unfair labor practice?

Mr. COMPTON. In my estimation, it is.

Mr. KENNEDY. I have one other matter that I want to ask you about. If the help or assistance, the financing—and it is a matter that we are going into and had testimony on here before the committee in the last day—if the help and assistance goes to a labor organization itself, does that constitute an unfair labor practice? That is, the attorney is provided for the so-called independent union, and the operations of the so-called independent union are financed by the company, and the heads of the independent union are given extra money—is that in your estimation constituting an unfair labor practice?

Mr. COMPTON. Yes, it does.

Mr. KENNEDY. Now, what is the penalty for companies? What is the penalty for companies who participate in this type of activity?

Mr. COMPTON. You are speaking with respect to a labor organization?

Mr. KENNEDY. Yes. Let us take that one.

Mr. COMPTON. With respect to a labor organization, we have two penalties involved. If the Board under section 8 (2) of the act finds that the assistance given to the labor organization does not add up to complete domination, it will give a remedy of saying "Cease recognizing until you go through a free and open Board election, and until the Board certifies you don't recognize this union any further."

If we find it is completely dominated, such as a mere creature under the complete control of the employer, we will order the employer to disestablish it as the bargaining representative and never thereafter deal with it.

Mr. KENNEDY. Is there any penalty against the company, the individuals involved who do participate in this type of activity, of, for instance, firing people who are in favor of the union, or giving extra money to those who are against the union? Is there any penalty against them, any punishment against them other than the fact that they have to cease and desist what they have been doing?

Mr. COMPTON. Merely the cease and desist.

Mr. KENNEDY. That is all?

Mr. COMPTON. That is all.

Mr. KENNEDY. Nothing happens to them, and what about the outside company that is brought in, such as a Shefferman company, and performs these acts for the company? What penalty or what punishment can be used against them under the law?

Mr. COMPTON. Well, the only thing is, if they were named as a partner and as an agent of the employer, under the unfair labor practices charges, I would be pretty sure that they would be subject to just about the same penalties that an employer is.

Mr. KENNEDY. Which is no penalty at all.

Mr. COMPTON. It is to cease and desist.

Mr. KENNEDY. That is for the employer. For the outside Shefferman group, there is no penalty at all.

Mr. COMPTON. There is a cease and desist that they not engage in any assistance of the kind that they had engaged in, with respect to the labor organization.

Senator GOLDWATER. May I inject a question there?

The CHAIRMAN. Let me ask one thing there. They issue no order against a Shefferman company. All the orders of the Board are either to the labor organization or to management.

Mr. COMPTON. To management.

The CHAIRMAN. In other words, you would issue no order to the Shefferman company, and Shefferman company is employed by management to do this job. Now, would they be a party to an unfair labor practice?

Mr. COMPTON. I can only give this answer, that in the past there have been some cases where an agent of the employer is named in the complaint as a respondent.

The CHAIRMAN. In other words, he would have to be a party to the action.

Mr. COMPTON. A party to the action; yes.

Senator GOLDWATER. Mr. Compton, who is the guilty party, the employer or the Shefferman-type of organization?

Mr. COMPTON. Well, you are asking me who is the guilty party, the employer or its agent. They are both guilty, because under the definitions of the statute, if they are not named, they are both guilty of violations of the act.

Senator GOLDWATER. But would the Board determine the employer is guilty before determining its agents were guilty? To put it another way, could the Board issue an unfair labor charge against the agent before issuing one against the employer?

Mr. COMPTON. The statute provides we have to get an employer there within the definition. I know of no case where we have had an unfair labor practice complaint issued only against the agent and not against the principal.

Senator GOLDWATER. That is what I wanted to get.

The CHAIRMAN. All right. Is there anything further?

Mr. KENNEDY. But even if the outside agent, the Shefferman firm, is named, or the people that are bringing the unfair labor practice charge know of his existence, even if he is named in that charge and the Board finds him guilty, all he has to do is cease and desist?

Mr. COMPTON. That would be our normal remedy.

Mr. KENNEDY. He can just go on to another employer and start all over again, can he not; there is no problem about it?

Mr. COMPTON. I don't know what the Board would do in a case like that. Let us say that there were numerous employers involved.

Mr. KENNEDY. Now, just listen to my question. There is one employer, and all I am saying is that even if you find him guilty of an unfair labor practice here in Toledo, he can be doing the same thing up in Boston, or go on to some other area and do the same thing. There is nothing that you can do to stop him from doing the same thing.

Mr. COMPTON. I don't know that you could unless you tried—

Mr. KENNEDY. You know there is nothing in the law.

Mr. COMPTON. We have in a case of a union—we have sometimes prohibited their unfair labor practices within an area, and we have broadened it within the scope of the facts before us, usually.

Mr. KENNEDY. Have you ever done that in a case of an employer of an outside party?

Mr. COMPTON. Not in a case of that type.

Mr. KENNEDY. You have never done it to your knowledge with Mr. Shefferman; have you?

Mr. COMPTON. Not that I know of; no.

Mr. KENNEDY. I have a couple of other questions.

What if an employer goes in—and we have had a case such as this—an employer goes in and brings in an outside union, and hands out cards and generally assists the outside union. Is that an unfair labor practice?

Mr. COMPTON. That would be an unfair labor practice.

Mr. KENNEDY. Is it an unfair labor practice to make a so-called top-down contract, a contract where the employees themselves have nothing to say about the terms of the contract, and the contract is made by the top officials of the union and the top officials of the company, and imposed upon the employees?

Mr. COMPTON. Well, you mean that the union is the representative, bargaining representative, of the employees at the time?

Mr. KENNEDY. Yes; the local union is, and at the international level and at the top company level, the contract is made.

Mr. COMPTON. Well, whatever union is the bargaining representative could make a contract at the top level without ratification by the employees.

Mr. KENNEDY. Now, could you have them constituted a bargaining representative? All the company has to do is recognize them; isn't that right?

Mr. COMPTON. It has to recognize and bargain with the representatives of the employees.

Mr. KENNEDY. You can have a company and have 100 employees, and you can decide to recognize the bakers union and you don't have to take that up with any of your employees, and you can just recognize the bakers union as the ones to make the contract?

Mr. COMPTON. Oh, no. If an employer recognizes a union that hasn't a majority of representation among its employees, that is an unfair-labor practice.

Mr. KENNEDY. That is an unfair-labor practice?

Mr. COMPTON. Yes.

Mr. KENNEDY. Who would bring the charge, then, that it was an unfair-labor practice?

Mr. COMPTON. The employees that didn't want to be represented by a union that the employer foisted upon them.

Mr. KENNEDY. But the employees have to bring a positive action themselves, saying, "We do not want to be represented by the bakers union"?

Mr. COMPTON. There would be a charge that the employer had recognized the union without a majority, and thereby giving it assistance, which would be a violation of section 8 (2) of the act.

Now, another union could bring the charge, and it doesn't have to be an employee. Another union or person can bring the charge that an employer has foisted a union upon them.

Mr. KENNEDY. So the charge would have to be brought against both the employer and the union; is that right?

Mr. COMPTON. Brought against the employer under section 8 (2).

Mr. KENNEDY. And the union, it would have to be brought against the union, too?

Mr. COMPTON. No; it would be brought against the employer, because the employer is in control of the situation in recognizing a representative that doesn't represent a majority of its employees.

Mr. KENNEDY. Could it be brought against both?

Mr. COMPTON. Offhand, I can't think of a case.

The CHAIRMAN. Why not? Here is one union that is doing something with management where both of them are engaging in something improper, and why couldn't that be done? Although you say it is finally in the control of management, why couldn't the charge be brought against the union and against management that was conspiring to engage in those practices?

I can't see why it couldn't be brought against both. Bringing it against management might be sufficient to relieve the situation, and the relief could be obtained in that process. That might be adequate. But it could be brought against both.

Mr. COMPTON. But the act doesn't provide that it is an unfair-labor practice for a union to get recognition when it is not the majority representative.

The CHAIRMAN. I see.

Mr. COMPTON. But the act does provide that it is unfair labor practice for an employer to recognize a union that is not such a majority representative.

The CHAIRMAN. Well, if they conspired together, I would think it would be an unfair labor practice.

Mr. COMPTON. When you say "conspired together," of course, it is up to the employer. The act of recognition lies with the employer.

The CHAIRMAN. I see your point, but I was just thinking out loud.

Mr. COMPTON. I see what you mean.

The CHAIRMAN. It seems to me it is just as much in principle at least an unfair practice for the union to do it as it would be for the management. It may not be in the statute.

Mr. COMPTON. By the remedy its gains are dissipated, and it no longer acts as the representative of those employees when we disestablish it.

Mr. KENNEDY. Let me ask you a question there.

Now, we expect to go in the next couple of days into a case similar to this: If the employer makes a contract covering 4 or 5 of his shops with a union, and if an employee of that company wants to bring an unfair labor practice charge, does he have to prove or show that the union does not represent 50 percent or more of the employees?

Mr. COMPTON. Well, the burden, of course, is upon our General Counsel to show that. In investigating the charge, that would have to be a matter of proof, surely, to show that the recognition occurred at a time when they didn't have a majority.

Mr. KENNEDY. Who would the burden be on—the complainant?

Mr. COMPTON. The General Counsel takes over for the Government. The employee would come and file his charge, and in the investigation of the charge which is the burden, of course, of the General Counsel to determine to issue a complaint, he would have to find that there would be sufficient proof that would convince the Board that it did not have a majority as of that time.

The burden still lies on the investigatory process of the General Counsel.

Mr. KENNEDY. The burden switches over certainly from the union which has to get 50 percent of the employees, to the employees themselves who do not want the union in, once a contract has been signed between the employer and the union.

Mr. COMPTON. Well—

Mr. KENNEDY. The burden of proof switches over to the employees who do not want the union to prove that 50 percent of their colleagues do not accept the contract or do not accept the union.

Mr. COMPTON. It isn't a matter of that. In initiating the action, it is merely an initiation of the action. I assume that they would have to have some idea or some proof or some fact to present to the General Counsel to show that they believed the union didn't have a majority.

Now, if an outside organization or another competing union was aware of that, I assume that it would come to the Board when it filed its charge and say, "I have cards from 90 percent of these employees, and yet the employer recognized this other union."

Mr. KENNEDY. I am not getting into that, and I am just talking about where the employer and the head of the union just meet and decide that the employer is going to bring all of his employees into a union.

Mr. COMPTON. Yes, sir.

Mr. KENNEDY. And it just seems to me, then, that the employee who is caught up in that must bring this charge himself, and it is a far

greater problem for him than for the union to go in and try to sign up 50 percent of the employees.

Mr. COMPTON. That may be true.

The CHAIRMAN. I want to get onto something else as soon as we can, but these questions keep arising. We have some proof here of an instance, as I understand it, where the local employees in a plant—we will say a majority of them—signed up for a union. The company then recognized the union and made a contract with the international officials and not with that local.

Where can they be protected if that is a binding contract? How does the little fellow down there working, who wants a local of his own, and wants control of it by democratic processes—how can we justify that? In other words, they decide they want a local, and they get a charter, but the international steps in and makes the contract for them.

Mr. COMPTON. Yes, sir.

The CHAIRMAN. Can they do that, and is that an unfair labor practice? Is there any protection against that?

Mr. COMPTON. If they refuse to bargain with the local——

The CHAIRMAN. They didn't refuse, and nobody refused. They just were getting ready to bargain, and they were getting ready to set up a bargaining committee, but in the meantime the top officials of the international and the company officials get together and make a contract.

Mr. COMPTON. You can still file charges, because the company in entering into a contract has to bargain with the representatives of the local.

The CHAIRMAN. That is the point I am making exactly. When they bargain with the international officers without the knowledge and consent of the local union and a representative of that local union, it seems to me that that would be an unfair labor practice.

Mr. COMPTON. I would be of the same opinion. The union would have a right to have the employer deal with it. The local would have that right if it was the union that had organized and was the representative.

Now, as I say, the Board in that area—there may be some cases that lead to uncertainty as to the separation of the international from the local in bargaining situations.

The CHAIRMAN. I recognize in every instance you may have a different case of circumstances.

Mr. COMPTON. Yes, sir.

Senator McNAMARA. Your agency comes within the Department of Labor, doesn't it?

Mr. COMPTON. No.

Senator McNAMARA. You don't work under Jim Mitchell?

Mr. COMPTON. No.

Senator McNAMARA. Well, I will still ask you the question.

Are you familiar with this? This is the revised bulletin No. 123.

Mr. COMPTON. Of the Department of Labor?

Senator McNAMARA. Yes.

Mr. COMPTON. No.

Senator McNAMARA. I was going to ask you if it was still up to date. But you are not familiar with it?

Mr. COMPTON. No.

Senator McNAMARA. Tell me this: Who is the director of your agency?

Mr. COMPTON. Who is the director?

Senator McNAMARA. Yes, the head.

Mr. COMPTON. The head of the agency are the five Board members.

Senator McNAMARA. Appointed by the President?

Mr. COMPTON. Appointed by the President.

Senator McNAMARA. Who is the Chairman?

Mr. COMPTON. Judge Leedom.

Senator McNAMARA. You act independently of the Labor Board?

Mr. COMPTON. We act independently of the Labor Board.

Senator McNAMARA. All right.

Senator GOLDWATER. Just as a point of information, the witness said that he felt it would be an unfair labor practice if the international union bargained irrespective of the desires of its locals. Am I understanding you correctly on that?

Mr. COMPTON. As I said, there are qualifications that if the local had not asked the international to act as its agent—as you know, the Board many times certifies only the local of an election; it is the bargaining representative of the majority of the employees.

Maybe it doesn't ask the international to come in. We have had situations where the local asks the international to come in as its agent, but many times it doesn't. But as a local, it has the right, under the statutory right given as a representative, to demand that a contract be made with it and that it be recognized as the bargaining representative. The Board has so certified, that it represents the majority. If it wants to bring in the international—sometimes the international is certified, and sometimes it brings in the local to be its agent, and likewise the local can bring in the international to do its bargaining. But the certified and actual representative, under Board law, has a right to insist that the company deal with it and not bypass it, once it is the representative of the majority.

Senator GOLDWATER. In so-called industrywide bargaining, if a local decided it did not like the terms arrived at by the international, could it then institute unfair labor charges against the international, through your Board?

Mr. COMPTON. That wouldn't be the situation I gave you, no. Just because they happened to become dissatisfied with what has been done in their behalf, by somebody who was acting for them.

Senator GOLDWATER. Let's say that they represent to you that the international did not represent them when they made the industry-wide agreements.

Mr. COMPTON. That the local said the international did not represent them when it made the nationwide agreement, and they were not permitted to participate in it, and so forth?

Senator GOLDWATER. Yes.

Mr. COMPTON. And yet they were the recognized and certified representative in that plant?

Senator GOLDWATER. The local, yes.

Mr. COMPTON. The local. Well, that would be the situation that I gave you, that it still maintains control.

Senator GOLDWATER. It would be an unfair labor practice?

Mr. COMPTON. If the employer did not deal with it and permit it to make a contract with it, it has the right, as the certified representative, to deal with the employer exclusively, unless it so otherwise authorizes its international, or vice versa, the international authorizes the local to act in its behalf, because you have the right to authorize an agency.

Senator GOLDWATER. That is all I have.

Mr. KENNEDY. I just have one question.

The law as it is presently written has no teeth in it to deal with situations such as Mr. Shefferman and his organization?

Mr. COMPTON. Well, only to the extent of our present remedies of cease and desist from the type of interference.

Mr. KENNEDY. I mean as a matter of fact it has no teeth in it to deal with Mr. Shefferman and his organization?

Mr. COMPTON. Well, I suppose I know what you mean. Teeth?

Mr. KENNEDY. Well, what is the answer?

Mr. COMPTON. I think a cease-and-desist order many times is teeth.

Mr. KENNEDY. A cease-and-desist order, all that means is that he can't do that any longer at that plant. But he can go someplace else and he can do the same thing; can he not? He can sell the same services?

Mr. COMPTON. The Board can get him again under unfair labor practices.

Mr. KENNEDY. And say he can't do it there. I don't know why you can't answer the question. Certainly if he can go here and do the same thing, and there is no punishment, absolutely no personal punishment for him or his employees, it is a toothless instrument as far as dealing with him. I am not saying that is the fault of the National Labor Relations Board. I am saying as far as the law is now constituted, it is a toothless instrument to deal with the operations of Shefferman or people such as him; isn't that true?

Mr. COMPTON. There are quite a few teeth in it, I think.

Mr. KENNEDY. Will you answer the question? Isn't that true?

Mr. COMPTON. Yes, more or less.

Mr. KENNEDY. What?

Mr. COMPTON. More or less, yes.

Mr. KENNEDY. Yes?

Mr. COMPTON. Well, I am only giving my opinion.

Mr. KENNEDY. I am just asking you for your opinion. Is the answer "Yes"?

Mr. COMPTON. Not categorically yes, no.

Mr. KENNEDY. Yes, more or less?

Mr. COMPTON. Yes, more or less.

Senator CURTIS. In regard to these teeth, the National Labor Relations Board has to deal with both sides and apply similar remedies to both sides; is that true?

Mr. COMPTON. That is true. That is generally true; yes.

Senator CURTIS. You do not mete out punishment to either offending unions, employees, or employers, do you, in the sense that a criminal court does?

Mr. COMPTON. Not in that sense, no criminal penalties. We have back pay, where employees have lost employment, they have to make up their pay. We have had that type of thing. Reimbursement of

dues, and in some instances there are some monetary remedies that we give.

Senator CURTIS. So your remedy is to apply either to a union or to employees, or to employers, are remedies other than punishment.

Mr. COMPTON. They are not, in that light, no; they are not fines, or punishments of that type.

Senator CURTIS. I don't know whether counsel was referring to punishment as teeth or not.

Senator GOLDWATER. Mr. Chairman?

Mr. KENNEDY. I think there is somewhat of a problem on the employer. At least he has to post a notice saying to his employees he is not going to perform any more of these acts, he is not going to do it any longer. There might be some problem to him. But as far as this independent group, this Shefferman group that comes in, these just disappear. They are out of the scene. They can go on to the next employer. That is why I asked this question. As far as the employer himself, it is one thing. But as far as Mr. Shefferman or this outside organization that is brought in, there is no problem to him at all. It just means that his services are dispensed with, and he goes on to the next employer.

Senator CURTIS. The employer is the employer plus all of his agents, isn't it?

Mr. COMPTON. It is the employer plus his agents. As I say, in the complaint, if they are named, we can direct our order to the agent. It is against the employer anyway, and all his agents.

Mr. KENNEDY. As a matter of fact, has Mr. Shefferman or his organization ever been found guilty of an unfair labor practice by the National Labor Relations Board?

Mr. COMPTON. Not that I know of.

Senator GOLDWATER. Mr. Chairman, I would like to ask the witness if he was proudful with himself when he answered "Yes" to the question that there should be teeth.

Mr. COMPTON. I didn't say there should be teeth. He was saying "Are you agreeing with me whether or not it is a rather toothless chair," our remedy. I said more or less, from his viewpoint, it would be toothless. As I gathered, he wanted to know whether there would be some sort of a penalty against this interference of this kind as far as an outsider was concerned. The only remedies we have are cease-and-desist remedies, except in those monetary situations that I mentioned, where we try to restore the status quo and restore employees' money that they have lost by virtue of unfair labor practices.

Senator GOLDWATER. I misunderstood you, then, I suppose, when I understood you to say that you felt that organizations such as the one we are discussing should be punished by the law.

Mr. COMPTON. If I said anything that intimated that, I am not here to say it should be punished and who should be punished or what should be done. I am merely trying to explain what the Taft-Hartley can do or does in such situations.

Senator GOLDWATER. I understood your answer implied that you, just you alone, as you qualified it, felt that the punishment should go past the employer.

Mr. COMPTON. No. When I said it was toothless more or less, in the light of the question that was given to me, he was thinking of fines

or greater penalties. We don't have that in our act. That was my intention, to convey that, when I said toothless more or less.

Senator GOLDWATER. Do you feel, then, that a penalty regardless of what it is or what it might be should go past the employer who is actually the guilty party?

Mr. COMPTON. I haven't given that serious consideration. I don't know what my opinion is on that.

Senator GOLDWATER. Have you run into the situation often in the NLRB?

Mr. COMPTON. Do you mean of outside help of this nature?

Senator GOLDWATER. Yes.

Mr. COMPTON. I don't think it is anything prevalent. Not a great deal that I know of. Now and then there will be some sort of counsel that gets involved in an unfair labor practice. Some employer might bring in someone to act for him, or something. But it is not—I am not cognizant that it is a very common thing.

Senator GOLDWATER. We had testimony here several months ago involving a strike on the west coast. During the testimony, the international president stated that he hired an individual on the coast—this happened to be a woman, and I think he was trying to explain why he spent \$9,500 or something like that—he said he hired her because she had knowledge of the local situation. She wasn't a member of the union but she was outside help.

If I am not mistaken, further testimony was to the effect that this was a rather common practice in strikes, to hire people locally who understood the local situation, who could put pressure on people. I think the NLRB findings in the Koller case indicated some outside pressures. Would you construe that as an unfair labor practice?

Mr. COMPTON. Well, as I say, these outside pressures—

Senator GOLDWATER. In other words, the union doing what management has done.

Mr. COMPTON. I am not sure that I am following you at that point. What is it, the union doing what?

Senator GOLDWATER. If the union hires an outside agency to conduct their negotiations, their business, their strikes, whatever you want to call it, if it hires an outside organization to sell their point, is that any different than management hiring an outside agent to sell their point?

Mr. COMPTON. Pardon me just a moment.

(The witnesses conferred.)

Mr. COMPTON. If that is what you are driving at, the same principles would apply. If the union does nothing wrong through an agent, it is O. K. If it does something bad through an agent, it is the same as an employer. If it does something itself that is all right, it is all right. It is the principle of agency, if that is what you are driving at.

Senator GOLDWATER. That is the answer I would like you to make, because it should be on the record here, that it is the action of the employer and it is the action of the union against which we have penalties today.

Mr. COMPTON. That is true.

Senator GOLDWATER. To try to write penalties against second parties and their actions would be taking a rather difficult step, wouldn't you think?

Mr. COMPTON. The third parties, in which there is no agency involved. Of course, I think that would be rather difficult to do.

Senator GOLDWATER. Thank you.

The CHAIRMAN. All right. Thank you very much, gentlemen.

Call your next witness.

Mr. KENNEDY. Mr. Edward Wroblewski.

The CHAIRMAN. You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. WROBLEWSKI. I do, sir.

TESTIMONY OF EDMUND E. WROBLEWSKI, ACCOMPANIED BY HIS COUNSEL, STANFORD CLINTON

The CHAIRMAN. State your name, your place of residence, and your business or occupation.

Mr. WROBLEWSKI. My name is Edmund E. Wroblewski. My place of residence is 1318 Touhy Avenue, Park Ridge, Ill.

(The witness conferred with his counsel.)

The CHAIRMAN. What is your business or occupation, please?

Mr. WROBLEWSKI. Sir, I come before you to claim the privilege under the fifth amendment of the Constitution of the United States to protect my innocence. If the Chair will permit me, I should like to state the reason why.

The CHAIRMAN. You decline to give your business or occupation under the fifth amendment?

Mr. WROBLEWSKI. I respectfully decline to answer, sir.

The CHAIRMAN. You wouldn't decline to answer. You say you do or don't?

(The witness conferred with his counsel.)

The CHAIRMAN. What I asked you is, Do you decline to give your business or occupation under the privilege of the fifth amendment?

(The witness conferred with his counsel.)

The CHAIRMAN. Is that why you refuse—

Mr. WROBLEWSKI. The answer is yes, sir, I do decline.

The CHAIRMAN. Do you honestly believe that if you gave a truthful answer to the question as to what is your business or occupation, that a truthful answer might tend to incriminate you?

(The witness conferred with his counsel.)

Mr. WROBLEWSKI. Yes, sir; I do believe that such an answer might tend to incriminate me.

The CHAIRMAN. You have counsel present?

Mr. WROBLEWSKI. I do, sir.

The CHAIRMAN. Counsel, will you please identify yourself for the record?

Mr. CLINTON. My name is Stanford Clinton. I am a member of the bar of the State of Illinois. My offices are at 134 North La Salle Street, Chicago, Ill.

The CHAIRMAN. Mr. Kennedy, proceed.

Mr. KENNEDY. The primary reason, Mr. Chairman, that Mr. Wroblewski is being called is because of his connection with the Sears company in Boston, and what work he did up there in 1955. You were in Boston in 1955, Mr. Wroblewski?

(The witness conferred with his counsel.)

Mr. WROBLEWSKI. Sir, I respectfully decline to answer.

Mr. KENNEDY. On what grounds?

(The witness conferred with his counsel.)

Mr. WROBLEWSKI. On the grounds, sir, that the answer might tend to incriminate me.

Mr. KENNEDY. Have you used other names, other than Wroblewski?

Mr. WROBLEWSKI. Sir, may I state my reasons?

The CHAIRMAN. Yes, sir; you may state your reasons.

Mr. WROBLEWSKI. Thank you, Mr. Chairman.

I have been in attendance at these hearings these past several days. I feel that if I were to testify truthfully that my testimony would be in direct conflict with several witnesses. I do not wish to place myself in position of a guess as to whether the Justice Department is going to determine that I or someone else told the truth. For that reason, sir, I claim the privilege to protect my innocence. Thank you, Mr. Chairman.

The CHAIRMAN. The Chair will make this observation, sir. You claim the reasons that you have assigned that if you answered truthfully your answers would be in conflict with other testimony, and it might subject you to a charge or a question of veracity and a charge of perjury. That excuse, that reason, is rejected. That is not a reason within the fifth amendment of the Constitution. The fifth amendment of the Constitution provides that one shall not be required to give evidence against himself. That is, if he feels that evidence might tend to incriminate him. But the mere fact that a witness' testimony, and in his view truthful, would conflict with the testimony that someone else has given, is not a justification for declining to testify here before this committee or in any court that I know of anywhere in the land.

For that reason, that part of your objection is overruled.

Proceed, Mr. Counsel.

Mr. KENNEDY. I am rather puzzled. You say you have been here in this room and people have mentioned your name and your activities up in Boston? You give that as your reason that you don't want to testify, because your testimony might be in conflict with what they have said?

(The witness conferred with his counsel.)

Mr. WROBLEWSKI. That is one of the reasons, sir.

Mr. KENNEDY. Could you tell us, for instance, what they have said? I am not aware of anybody saying anything other than you were up there, Mr. Wroblewski, as yet.

Mr. WROBLEWSKI. Sir, I decline to answer on the grounds previously stated.

Mr. KENNEDY. You made a statement here that some other witnesses had mentioned your name and that your testimony would be in conflict with them. The only testimony that has been given about you so far has been that you were up in Boston. Do you deny that?

(The witness conferred with his counsel.)

Mr. WROBLEWSKI. I decline to answer, sir.

Mr. KENNEDY. On what grounds?

(The witness conferred with his counsel.)

Mr. WROBLEWSKI. On the ground that the answer may tend to incriminate me.

Mr. KENNEDY. When you were up in Boston, you used the name Ed Robey, is that right?

Mr. WROBLEWSKI. I decline to answer, sir, on the ground that the answer may tend to incriminate me.

Mr. KENNEDY. And you have used the alias E. W. Roberts, when you were in Port Arthur, Tex.?

Mr. WROBLEWSKI. I decline to answer, sir.

(The witness conferred with his counsel.)

The CHAIRMAN. Counsel, does he work for the Shefferman company?

Mr. KENNEDY. Yes, sir. He works for Mr. Shefferman.

The CHAIRMAN. All right. Go ahead.

Mr. KENNEDY. What about in Milwaukee, Wis., you used the name Ed Robins?

Mr. WROBLEWSKI. I respectfully decline to answer, sir, for the same reasons as previously stated.

Mr. KENNEDY. What company were you working for up in Milwaukee, Wis.?

Mr. WROBLEWSKI. I decline to answer, sir.

Mr. KENNEDY. Was that the Universal Rundle Co. that you were working for up there?

Mr. WROBLEWSKI. I decline to answer, sir, on the grounds previously stated.

Mr. KENNEDY. Before I get into the Boston situation, I would like to ask you about some of your charges here when you were down working at the Mengel Co., down in Laurel, Miss. On February 19, 1953, you charged \$100 and charged it to the industrial relations. What did you do with that \$100?

Mr. WROBLEWSKI. Sir, I respectfully decline to answer.

Mr. KENNEDY. This is in addition to your entertainment and other expenses. On February 21, industrial relations charged \$100.

Mr. WROBLEWSKI. I respectfully decline to answer, sir.

(The witness conferred with his counsel.)

The CHAIRMAN. The Chair wishes to make this observation. We have had people here representing labor unions, officials of labor unions, who have taken the fifth amendment, as they have a right to do. But I just want to make the observation that when business people come before us have to do the same thing, then it carries with it from my viewpoint the same reflection on business as it does with labor, when they have to resort to that shield.

I was hopeful that when business people came before us they could at least tell their business or occupation, what they do, and could be cooperative with this committee and be helpful. This is a problem that goes deep into the affairs of this Nation, to have good labor laws, laws that protect the worker, and at the same time give him rights and protect his rights so that he would be on an equal basis of power and collective bargaining with business, with management.

This is something bigger than anybody that is involved in it. It goes to getting laws. That is the purpose of this, to find out what practices are now going on, those things that amount to discrimination or unfair practices that should not be tolerated, so that the Congress might enact some laws that would correct these conditions that are being revealed by the work of this committee.

It is just as disappointing, if not more so, from the chairman's standpoint, at least, when businessmen come in here with such activities and records that they can't cooperate with the committee and give the committee the benefit of their knowledge and facts within their knowledge. It gets pretty exasperating.

As far as I am concerned, and I think all members of the committee agree with me, we are going through with it and we are going to come out some way and try to do something about it. I have tried to persuade, and I have shown some feeling and unhappiness about labor people who come in here, labor leaders, who have failed to cooperate. I am equally as much, if not more greatly, disappointed when business people come in here and have to take the shield of the fifth amendment because they cannot tell the truth without possibly incriminating themselves.

MR. KENNEDY. I might say about Mr. Wroblewski, according to the information we have, he has been with Mr. Shefferman shortly after the Second World War. His salary is approximately \$15,000 a year. In 1953, the year we have here, he received in expenses \$13,942. That he was in the Army during the Second World War for approximately 5 years, and that at least part of that time he was working on labor relations, going into the war plants and attempting to settle any difficulties or any strikes that they might have.

THE CHAIRMAN. I regret that the witness can't tell the truth without possible incrimination. Proceed to interrogate him.

MR. KENNEDY. I was asking him, Mr. Chairman, about these payments made down in Mississippi, \$100 on February 10, 1953, another \$100 on February 21, 1953, charged to industrial relations expense. Then on February 24, 1953, another \$100.

Can you explain that?

MR. WROBLEWSKI. Sir, I respectfully decline to answer.

MR. KENNEDY. Then on February 28, \$100 charged to the same thing. What is the explanation for that?

MR. WROBLEWSKI. Sir, I respectfully decline to answer.

MR. KENNEDY. March 1, \$100; March 7, \$100; March 11, \$100; March 15, \$100; totaling \$800, all charged to industrial expense, which is above and beyond expenses that you had down there.

Can you give us any explanation for that?

MR. WROBLEWSKI. Sir, I respectfully decline to answer on the grounds previously stated.

MR. KENNEDY. Wasn't this money used to hire strikebreakers to go through the strike that was going on down at the plant?

MR. WROBLEWSKI. Sir, I respectfully decline to answer.

MR. KENNEDY. Weren't you hiring drivers to bring the material in, strikebreakers to bring material in?

MR. WROBLEWSKI. Sir, I respectfully decline to answer on the grounds previously stated.

MR. KENNEDY. Excuse me?

MR. WROBLEWSKI. I said, sir, I respectfully decline to answer on the grounds previously stated.

MR. KENNEDY. Up in Boston, when you were up there, could you tell us what activities you were engaged in in Boston for the Sears, Roebuck Co.?

(The witness conferred with his counsel.)

Mr. WROBLEWSKI. The same answer, sir.

Mr. KENNEDY. According to the records that we have, while you were up there in 1955, in disbursements alone you had \$5,990. Will you tell us about that, what you used that money for?

Mr. WROBLEWSKI. Sir, I respectfully decline to answer.

Mr. KENNEDY. You were up there for 84 days, according to the records we have, and you disbursed \$5,990.

The CHAIRMAN. Have you given him the names of the companies?

Mr. KENNEDY. Yes, sir. This is the Sears, Roebuck store in Boston.

Mr. CLINTON. Is there a question, Mr. Kennedy?

Mr. KENNEDY. You refuse to tell us how that money was used?

Mr. WROBLEWSKI. Sir, I respectfully decline to answer.

Mr. KENNEDY. This is another Industrial Relations expense in connection with the Universal Rundle Co., February 7, 1955, \$110; February 14, 1955, \$110; February 21, 1955, \$110. Every 3 weeks, or every 2 weeks, you charged \$110 to Industrial Relations expense. Can you tell us what that was for?

Mr. WROBLEWSKI. Sir, I respectfully decline to answer for the reasons stated before.

Mr. KENNEDY. I would like to get the explanation of this check, Mr. Chairman.

The CHAIRMAN. I would like to ascertain, Mr. Counsel, if you know, if you can give us any information at this time whether these companies, for whom the Shefferman Co. was working, have declined to give you the information regarding these expenditures.

Mr. SALINGER. Mr. Chairman, in relation to the Mengel Co. at Laurel, Miss.

I went to Laurel, Miss., and spent some time interviewing company officials, and they told me that Mr. Wroblewski was down there with Mr. Nathan Shefferman and Mr. Shelton Shefferman, and he had participated in a number of activities in which they could never quite determine what he was doing. The object of his work down there was to attempt to bring an end to a strike which had lasted for a considerable amount of time. The company down there finally became so agitated with Mr. Wroblewski's and Mr. Shefferman's activities that they asked them to leave, and they succeeded in settling the strike the day after they left town.

The CHAIRMAN. That isn't quite the information that the Chair had in mind. We are having difficulty here. I would like to get as correct a picture of it in the record as we possibly can.

It seems to me, and I don't know how much effort the staff put in on it—of course, I don't know whether you knew that he was going to take the fifth amendment or not—it seems to me that the companies should be able to give some explanation for these disbursements.

Mr. SALINGER. We know what he was doing in Boston. That will come out in the hearing.

The CHAIRMAN. All right. I have a check here which appears to be the original check, dated May 1, 1954, in the amount of \$1,500, drawn by Labor Relations Associates of Chicago, by Shelton Shefferman, payable to the order of E. W. Robey.

Did he use that name before?

Mr. KENNEDY. Robey; yes.

The CHAIRMAN. That is one of his aliases?

Mr. KENNEDY. That is correct.

The CHAIRMAN. I present to you this check and ask you to examine it and state if you identify it.

(The document was handed to the witness.)

(The witness conferred with his counsel.)

The CHAIRMAN. Have you examined the check?

Mr. WROBLEWSKI. I have, sir.

The CHAIRMAN. Do you identify it?

Mr. WROBLEWSKI. Sir, I respectfully decline to answer.

The CHAIRMAN. Was that check issued to you?

(The witness conferred with his counsel.)

Mr. WROBLEWSKI. I respectfully decline to answer, sir, on the grounds—

The CHAIRMAN. Were you using that alias at the time, Robey, or whatever the name is on it? Was that the name you were going under when you got that check?

(The witness conferred with his counsel.)

Mr. WROBLEWSKI. Sir, I respectfully decline to answer.

The CHAIRMAN. Why?

Mr. WROBLEWSKI. On the grounds as previously stated, sir.

(At this point Senator Goldwater left the hearing room.)

The CHAIRMAN. Do you mean it might incriminate you?

(The witness conferred with his counsel.)

Mr. WROBLEWSKI. On the grounds, sir, that it might tend to incriminate me.

The CHAIRMAN. All right. So we will have to get our information from some other source then, as to what this check was given to you for.

(The witness conferred with his counsel.)

Mr. WROBLEWSKI. Sir, I respectfully decline to answer.

The CHAIRMAN. Proceed Mr. Kennedy.

Mr. KENNEDY. Mr. Chairman we had an interview initially with Mr. Wroblewski and asked him for an explanation of this check. It is listed on the books as a refund to client.

We were unable to find anything further on it. We couldn't determine which client was involved. We asked Mr. Wroblewski initially what the explanation of this was and he could not give us any explanation.

Can you tell us anything about it at this time about the \$1,500?

Mr. WROBLEWSKI. Sir, I respectfully decline to answer on the ground I have previously stated.

Mr. KENNEDY. You received the \$1,500. Did you pass that money on to anyone?

Mr. WROBLEWSKI. Sir I respectfully decline to answer.

The CHAIRMAN. Well, we had a number of instances where unions were charging off considerable sums to organizational expenses. I had quite serious doubts about the validity of those charges. Now we find business engaging in the same practices apparently.

I should think there should be a little pride for the situation that exists here, that business people would want to come in here and cooperate, to the end that you might help this Congress get legislation to clean up this mess.

(The witness conferred with his counsel.)

The CHAIRMAN. All right, proceed.

Senator CURTIS. Mr. Chairman?

The CHAIRMAN. Senator Curtis.

Senator CURTIS. What is your age?

Mr. WROBLEWSKI. Sir, I respectfully decline to answer you.

Senator CURTIS. Where did you attend school?

(The witness conferred with his counsel.)

Mr. WROBLEWSKI. Sir, I respectfully decline to answer on the grounds previously stated.

Senator CURTIS. What was your first job?

(The witness conferred with his counsel.)

Senator CURTIS. I am talking about after leaving school.

Mr. WROBLEWSKI. The same answer, sir.

Senator CURTIS. What experience in labor relations did you have before you took your present employment?

(The witness conferred with his counsel.)

Mr. WROBLEWSKI. Sir, I respectfully decline to answer.

Senator CURTIS. There is nothing about where you went to school and your previous employment that would incriminate you; is there?

(The witness conferred with his counsel.)

Mr. WROBLEWSKI. Sir, I respectfully decline to answer on the grounds previously stated.

Senator CURTIS. It just seems to me that every lawyer and every accountant that deals in this field or any other field must be licensed in the State he operates. It looks like if the people of the several States want to be protected in these matters, they are going to have to license agents of management in the field of labor relations, and also union organizers and spokesmen so they will have some way, by revoking their license, of taking them out of circulation.

Your attitude is such that you are not helpful at all. If there is a particular transaction that would incriminate you, on constitutional grounds you are declining to answer. But you refuse to give any of your background, your education. This is a refusal to cooperate with this committee without any foundation whatever of legal rights on your part.

The CHAIRMAN. Proceed, Mr. Counsel.

Mr. KENNEDY. According to the information that we have, when you went to Boston, you assisted in setting up the vote "no" committee: is that right?

(The witness conferred with his counsel.)

Mr. WROBLEWSKI. Sir, I respectfully decline to answer.

Mr. KENNEDY. And that you assisted in writing the literature for the vote "no" committee?

Mr. WROBLEWSKI. The same answer, sir, as previously.

Mr. KENNEDY. Did you receive your instructions from Mr. Shefferman as to how you were to proceed in Boston?

Mr. WROBLEWSKI. The same answer, sir.

Mr. KENNEDY. Do you know Mr. Shefferman?

(The witness conferred with his counsel.)

Mr. WROBLEWSKI. The same answer, sir.

Mr. KENNEDY. Do you know Mr. Shelton Shefferman?

Mr. WROBLEWSKI. The same answer, sir.

Mr. KENNEDY. According to the information that we have, also, it is that you knew about the fact that Donoghue's car was going to be

wrecked a few days before the election, to try to influence people against the retail clerks. Did you know about that?

(The witness conferred with his counsel.)

Mr. WROBLEWSKI. Let me hear that again, sir.

Mr. KENNEDY. The information that we have is that you were aware of the fact that Mr. Donoghue's car was going to be wrecked a few days before the election, and that you participated in the decision to have his car wrecked to influence the people against the retail clerks.

(The witness conferred with his counsel.)

Mr. KENNEDY. You can answer that.

Mr. WROBLEWSKI. Sir, I respectfully decline to answer on the grounds previously stated.

Mr. KENNEDY. Do you know Mr. Donoghue?

Mr. WROBLEWSKI. Same answer, sir.

Mr. KENNEDY. Do you know Mr. John Lind?

Mr. WROBLEWSKI. The same answer, sir, as previously stated.

Mr. KENNEDY. Mr. Chairman, I don't think we are going to get very far.

The CHAIRMAN. That check that I presented to the witness may be made exhibit No. 22.

(The document referred to was marked "Exhibit No. 22" for reference, and will be found in the appendix on p. 6230.)

The CHAIRMAN. Are there any other questions of the witness?

Senator McNAMARA. Mr. Chairman?

The CHAIRMAN. Senator McNamara.

Senator McNAMARA. I don't care to ask the witness a question, but I would like to ask the counsel this question.

Is it just coincident that this check is for \$1,500, or is it significant of the fact that the Shefferman company was carrying people on their books with aliases as well as their true names?

Mr. KENNEDY. We know from the records of Mr. Shefferman that that check was given to Mr. Robey while he was in the office or the day that he was in the office of Mr. Shefferman. We know the names of the people that he conferred with immediately afterward.

We hoped that Mr. Robey was going to enlighten us as to what he did with the \$1,500. In our previous interview with him he was unable to give us any information on the \$1,500, and we have not been able to pin it down any further than that as of this time.

Senator McNAMARA. Does the Shefferman company use a different type check for a payroll check?

Mr. KENNEDY. No; it is the same check.

The CHAIRMAN. I think I have commended, complimented, the AFL-CIO for its ethical practices code that looks with disfavor, at least, upon union officials taking the fifth amendment to conceal what should be revealed to the membership of the dues-paying members. I am going to watch your case with a little bit of interest.

I wonder just what application will be made to you by your employer. If you engaged in things you can't come down here and tell the truth about without incriminating yourself, I wonder what standards the Shefferman Labor Relations Associates will have; whether they will apply somewhat the same standards of ethics as have been applied by the AFL-CIO.

I think we will all watch your situation with a bit of interest. You may stand aside.

Mr. WROBLEWSKI. Thank you, Mr. Chairman.

The CHAIRMAN. Call the next witness.

Mr. KENNEDY. Mr. Robert DeGiacomo.

The CHAIRMAN. Do you solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. DeGIACOMO. I do.

TESTIMONY OF ROBERT DeGIACOMO

The CHAIRMAN. State your name and your place of residence and your business or occupation.

Mr. DeGIACOMO. My name is Robert DeGiacomo. I am a lawyer, and my offices are at 10 State Street in Boston. I live at 10 Oak Hills Street in the city of Newton, in Massachusetts.

The CHAIRMAN. Thank you very much. You do not have additional counsel with you?

Mr. DeGIACOMO. I do not, sir.

The CHAIRMAN. I assume you waive additional counsel?

Mr. DeGIACOMO. I do, sir.

Mr. KENNEDY. Mr. Chairman, over the last day or so we have been going into the activities of, first, Mr. Guffy in Boston, and then Mr. Lewis Jackson, and we have developed the fact that they have sponsored and financed and counseled with the so-called employees council up in Boston, the Sears, Roebuck Employees Council, which was unaffiliated and which was a labor organization, which was attempting to make a contact with the Sears, Roebuck & Co.

As I say, one of those who was sponsoring this was Mr. Lewis Jackson. With this witness we expect to develop what other activities Mr. Jackson and Labor Relations Associates were doing at the same time that they were sponsoring and encouraging the Sears, Roebuck Employees' Council, what else they were doing as far as trying to defeat the Retail Clerks Union in their drive.

The CHAIRMAN. Proceed.

Mr. KENNEDY. Mr. DeGiacomo, during, I believe, 1954 you were approached about representing a group of employees?

Mr. DeGIACOMO. Yes, sir.

Mr. KENNEDY. Could you tell us briefly what the conversation was you had, and what was said to you at that time?

Mr. DeGIACOMO. Yes, sir; certainly.

In the early summer of 1954, or the late spring of 1954, I received a call one day from an eminent Boston lawyer, named Allan Tepper, who was engaged in the field of labor relations work and whom I have later found out represented Sears, Roebuck & Co.

Mr. Tepper asked me to come to his office and I did not know Mr. Tepper but I did know his partner, a Mr. Herman Snyder. I met Mr. Tepper at his office and Mr. Tepper asked me if I would be interested in representing a group of employees in Sears, Roebuck.

He pointed out to me that this was a group who sought counsel and that this would concern labor relations work. At this point I advised Mr. Tepper that I had not engaged in that field of the practice of law

up to that time and he stated that that would not be important, but that he was sure I would enjoy the work and assured me that there was nothing unethical or illegal connected with the project.

Upon such representations from a man of such a position at the Boston bar, I said I would be most pleased to represent a group of people. He informed me that I would probably be called by the employees or someone in their behalf. About 4 weeks thereafter I received a call at my home in the evening from a man named Lewis Jackson who identified himself as being interested in the fact of my representing certain employees for Sears and understood, according to his statement to me, that I had been recommended by Allan Tepper.

He stated he would like to have dinner with me, whereupon I invited him to my home. He declined the invitation and suggested that I meet him in Boston the following day at the Hotel Kenmore and have dinner with him.

Mr. KENNEDY. We can expedite the account of your conversation with him and just give us the points that we have already gone over.

Mr. DEGIACOMO. As a result of the conversation, I met Mr. Jackson at the Hotel Kenmore and we had dinner and we generally discussed labor-management problems. He asked me for my position in union-management affairs and I suppose now I may refer to it as being somewhat naively, I made the statement that I was in favor of the labor movement and supported union activities.

He assured me that he also supported union activities but there were some situations where their activities should be controlled. He informed me that he knew that there was a group of people in Sears, Roebuck who did not want to affiliate with the union and that they were interested in seeking counsel and he understood that I had agreed to represent them.

I stated that I had. That, in essence, Mr. Chairman, terminated the conversation and it was a brief conversation.

Some weeks thereafter, I met Mr. Jackson again and at this time he introduced me to Mr. Robey, a gentleman who identified himself to me as Mr. Robey.

The CHAIRMAN. Have you seen that gentleman here this morning?

Mr. DEGIACOMO. Yes, he is the gentleman who preceded me at this witness stand.

The CHAIRMAN. So you know then that he did go under the alias of "Robey"?

Mr. DEGIACOMO. He was introduced to me by the name of Edward Robey. Prior to meeting Mr. Robey, which was a few weeks before Christmas in 1954, I had met several employees in Sears, Roebuck who had come to my office and stated that they needed help and guidance concerning a proposed unionization of the plant, and would I represent them, and I agreed to.

Mr. Jackson introduced me to Mr. Robey and stated that Mr. Robey would assist me in representing these people and he was familiar with this general type of work. That about terminated that conversation and shortly thereafter, I had several meetings with Mr. Robey wherein various letters were sent out.

I had conversations and conferences with probably over 100 employees of the store, whose position was in essence that they did not desire to affiliate with the retail clerks, but did desire to remain unaffiliated. Various letters were prepared.

The CHAIRMAN. Who were they prepared by, mainly?

Mr. DEGIACOMO. I worked some of them out and in all of them I would say Mr. Robey was aware of the contents of all of them, and in several of them he participated in the preparation of them. In one or two my recollection is that he prepared them himself.

Mr. KENNEDY. Did he have a sort of a form that he followed on the literature?

Mr. DEGIACOMO. I am not quite sure, Mr. Kennedy. He seemed to be very familiar with the type of letter that he thought would be most effective.

Mr. KENNEDY. Did you question this kind of literature?

Mr. DEGIACOMO. Yes, I did, and I thought the level and the tone of the discussion was not what I would have suggested and I thought the language was rather on a lower plane, but he assured me that this was proper and would be most effective.

It also appeared to be what these employees whom I represented were interested in seeing. After several meetings and conversations and the writing of several letters and distributing of literature, finally the election was held.

Mr. KENNEDY. In between, you had a list of the employees?

Mr. DEGIACOMO. Yes, sir.

Mr. KENNEDY. That you would mark whether they were for the union or against the union, and plus and minus, and a zero in case you did not know?

Mr. DEGIACOMO. Yes, that list was furnished by the employees. It was a list of the people who worked for Sears, Roebuck.

The CHAIRMAN. The list was furnished by whom?

Mr. DEGIACOMO. By a Mr. Joseph Ficociello, who was one of the people whom I represented and who at that time was working for Sears, I believe, in their hardware department, and subsequently became the manager of their service station.

The CHAIRMAN. I present to you a list of names, and ask you—it contains several sheets—if you will examine it. They are in handwriting and will you state if that is the list from which you worked.

Mr. DEGIACOMO. Senator McClellan, I am looking at my own notes and information that I turned over to the committee containing the names of various employees which was part of the employees' list and indicated their position to the best of my knowledge, after discussions.

The CHAIRMAN. You recognize that?

Mr. DEGIACOMO. Yes, they are from my files.

The CHAIRMAN. All right, they may be made exhibit No. 23, for reference only.

(The documents referred to were marked "Exhibit No. 23" for reference and may be found in the files of the select committee.)

Mr. KENNEDY. Did you meet with Mr. Robey and Mr. Jackson, and they continued to give you advice during this period of time?

Mr. DEGIACOMO. Yes, Mr. Kennedy.

Mr. KENNEDY. And ultimately the election was held and the retail clerks were badly defeated, is that right?

Mr. DEGIACOMO. Yes, sir.

Mr. KENNEDY. Now, during this whole period of time there was great enthusiasm, even spontaneous enthusiasm as I understand it, by your group against the union.

Mr. DeGIACOMO. Yes, Mr. Kennedy. Unquestionably, in my opinion, the people whom I represented, at least those that discussed the matter with me, were enthusiastic in their work, which in essence was that they did not choose to join a union at the time. They felt they did not need one and they wanted to convince their fellow employees and they were indeed enthusiastic.

Mr. KENNEDY. What about the council? What did they think of that, the unaffiliated council?

Mr. DeGIACOMO. By that you mean "c-o-u-n-c-i-l"?

Mr. KENNEDY. Yes.

Mr. DeGIACOMO. This organization was very poorly thought of, sir, by the people that I represented. They had little use for it.

Mr. KENNEDY. Why was that?

Mr. DeGIACOMO. It had been stated to me by people I represented it was a useless organization.

Mr. KENNEDY. Did you know that the company had been attempting to negotiate with this council?

Mr. DeGIACOMO. No, sir, I am not familiar with that.

Mr. KENNEDY. Did you know Mr. Jackson, while he was meeting with you and advising you, was also meeting with the council and leaders of the council and advising them?

Mr. DeGIACOMO. No, sir.

Mr. KENNEDY. You did not know that?

Mr. DeGIACOMO. No, sir.

Mr. KENNEDY. During the same period of time he was meeting with them and paying extra money to those people?

Mr. DeGIACOMO. Absolutely not, Mr. Kennedy.

Mr. KENNEDY. Now, subsequently, you were paid yourself by Mr. Jackson?

Mr. DeGIACOMO. Yes, sir, by Mr. Jackson and by some of the employees. The employees met the expenses, as I recall, the printing costs, and Mr. Jackson paid my legal fees.

Mr. KENNEDY. How much did he pay you?

Mr. DeGIACOMO. He paid me between \$1,000 and \$1,500.

Mr. KENNEDY. I would just like to say, Mr. Chairman, Mr. DeGiacomo, since we first went into this matter, has been very helpful to the committee and he has been always completely frank and candid in his answers to the questions we were attempting to determine.

Senator McNAMARA. I would like to ask a couple of questions. You referred to people whom you represented.

Mr. DeGIACOMO. Yes, sir.

Senator McNAMARA. What was the number of these people? Do you have an idea or do you know?

Mr. DeGIACOMO. Senator, they constitute a large group—in excess of 100 people.

Senator McNAMARA. In excess of 100 people?

Mr. DeGIACOMO. Yes, sir.

Senator McNAMARA. That is interesting. We had testimony previously that there were 30 members of the council. Is that in line with your information or do you know anything about it?

Mr. DeGIACOMO. I don't know anything about that, sir.

Senator McNAMARA. So the addition of your approximate 100 and the 30 together, would be 130 out of about between 250 and 300, and

so now we are approaching approximately a majority apparently, who did not want a union in the 2 organizations.

Mr. DeGIACOMO. Yes, sir.

Senator McNAMARA. That is interesting. Thank you.

The CHAIRMAN. Are there any other questions?

Senator CURTIS. Did these employees that dealt with you appear to be expressing their own ideas?

Mr. DeGIACOMO. They did, sir. And I was impressed by the sincerity, especially the initial group of people that came to me.

Senator CURTIS. And you stated that they felt they did not need a union. By that, what did you mean?

Mr. DeGIACOMO. That was the statement made to me by the initial group of people.

Senator CURTIS. What did you gather that they meant?

Mr. DeGIACOMO. I gathered that they meant that they were satisfied with the conditions where they worked and that a union for them was not a necessary organization.

They did not condemn a union as such, but the impression I gathered was that they did not feel that they needed one now and if they did they would most certainly join one.

The CHAIRMAN. Thank you very much.

Mr. DeGIACOMO. Thank you, Senator.

The CHAIRMAN. The committee will stand in recess until 2 o'clock.

(Whereupon, at 12:35 p. m., the hearing in the above-entitled matter was recessed to reconvene at 2 p. m., of the same day.)

AFTERNOON SESSION

The select committee reconvened at 2 o'clock, Senator John L. McClellan (chairman of the select committee) presiding.

The CHAIRMAN. The committee will be in order.

(Members of the select committee present at the reconvening of the session were Senators McClellan, Ives, and McNamara.)

The CHAIRMAN. Mr. Raymond Speiser, will you come around, please?

Mr. Speiser, would you have a seat, please? The Chair is not going to swear you. You are an attorney, I believe, representing Mrs. Lapensohn.

STATEMENT OF RAYMOND A. SPEISER, COUNSEL FOR MR. AND MRS. BEN LAPENSOHN

Mr. SPEISER. I represent Mrs. Lapensohn.

The CHAIRMAN. Do you also represent her husband, Ben Lapensohn?

Mr. SPEISER. I represent all of the family, sir.

The CHAIRMAN. A subpoena was served on these parties to produce their records here today. Now, can you give us any information about Mr. Ben Lapensohn? Is he here?

Mr. SPEISER. I have not seen him here today, sir.

The CHAIRMAN. What information do you have about him?

Mr. SPEISER. I spoke to Mr. Lapensohn over the long-distance telephone yesterday in Montreal. I have no indication that Mr. Lapensohn intends to be present before this committee.

The CHAIRMAN. If you talked to him, I guess you know. He made it emphatic that he would not respond to the subpoena?

Mr. SPEISER. Senator, I have no information from Mr. Lapensohn that he intends to present himself before this committee. I prefer, sir, not to be asked questions as to what my client told me.

The CHAIRMAN. I can appreciate that. That is why I didn't swear you as a witness. I am just trying to get information that might be of some assistance to the committee.

As I understand it, he is out of the country and he is in Canada, and he was served with a subpoena in Canada which he apparently doesn't intend to honor. So far as you know, he will not be here?

Mr. SPEISER. That is right, sir.

The CHAIRMAN. And you represent him?

Mr. SPEISER. I represent the entire family, sir.

The CHAIRMAN. Is Mrs. Lapensohn here?

Mr. SPEISER. She is.

The CHAIRMAN. Are you representing her?

Mr. SPEISER. I am, sir.

The CHAIRMAN. Are you prepared to comply with the subpoena?

Mr. SPEISER. We have already done so, to associate counsel in Mr. Kennedy's office below, giving him all of the records that we had in our possession.

The CHAIRMAN. She is complying?

Mr. SPEISER. Oh, yes, sir.

The CHAIRMAN. She is present and she has brought her records and delivered them to the committee?

Mr. SPEISER. That is right, sir.

The CHAIRMAN. I simply wanted to get that in the record. You can give us no information about Mr. Lapensohn, other than that you represent him and cannot divulge what information he may have given you but you do not anticipate his presence here today?

Mr. SPEISER. That is correct, sir.

(At this point Senators Curtis and Goldwater entered the hearing room.)

Mr. KENNEDY. As I understand it, you do not have any information or knowledge that he intends to return to this country and testify before the committee?

Mr. SPEISER. That is right; I have no such information.

Mr. KENNEDY. I am not just talking about today. You have no information generally that he intends to return to the country and testify before the committee?

Mr. SPEISER. I have none that he does not, either, sir.

Senator McNAMARA. We seem to have no witness sheet on this gentleman you are discussing.

The CHAIRMAN. This is not a witness. This is just an attorney representing some witnesses.

Senator McNAMARA. I understand that. I am talking about the party you are talking about. Who is he?

The CHAIRMAN. Ben Lapensohn. We had subpoenaed some records from him, and his name has come into the hearings before. What is the nature of it?

Mr. KENNEDY. Mr. Lapensohn's name came up in the hearing yesterday in connection with Mr. Raymond Cohen of Philadelphia, the

president of local 107. Mr. Cohen and Mr. Lapensohn have had some financial transactions, No. 1, and there are also some other matters in connection with the activities of Mr. Lapensohn, both in Philadelphia and in the State of New York that are of some interest to the committee.

Senator McNAMARA. Thank you.

Mr. KENNEDY. Mr. Raymond Holmes.

The CHAIRMAN. You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. HOLMES. I do.

**TESTIMONY OF RAYMOND E. HOLMES, ACCOMPANIED BY
A. M. WOOD**

The CHAIRMAN. State your name, your place of residence, and your business or occupation.

Mr. HOLMES. My name is Raymond Holmes, and I live at 1376 Biscayne Way, Haslett, Mich. I am customer service manager for Sears, Roebuck & Co., at Lansing, Mich.

The CHAIRMAN. Thank you very much.

All right, you have counsel present to represent you?

Mr. HOLMES. Yes, sir.

The CHAIRMAN. Please identify yourself, for the record.

Mr. WOOD. My name is A. M. Wood. I am general attorney and vice president and secretary of Sears, Roebuck & Co.

The CHAIRMAN. Mr. Kennedy, proceed.

Mr. KENNEDY. Mr. Holmes, you have been with the Sears, Roebuck Co. for how long?

Mr. HOLMES. Approximately 7½ years.

Mr. KENNEDY. And you were connected at one time with Mr. Shefferman?

Mr. HOLMES. I was on a training assignment with LRA; yes.

Mr. KENNEDY. How did that come about, and who assigned you to the training assignment?

Mr. HOLMES. Mr. Caldwell, then vice president in charge of personnel, assigned me to LRA for training.

Mr. KENNEDY. So that you could introduce the methods of LRA into the Sears, Roebuck Co.?

Mr. HOLMES. No, sir. It was mainly to acquaint myself with their methods, and also to acquaint Mr. Shefferman with a new employee inventory which we had been developing.

Mr. KENNEDY. When was this that you went with Mr. Shefferman?

Mr. HOLMES. The latter part of 1952.

Mr. KENNEDY. In 1952?

Mr. HOLMES. The latter part.

Mr. KENNEDY. Did you remain with him? How long did you remain with him?

Mr. HOLMES. Off and on for approximately a year and a half.

Mr. KENNEDY. Did you do some of your work up in Boston, Mr. Holmes?

Mr. HOLMES. For Mr. Shefferman, you mean?

Mr. KENNEDY. Yes.

Mr. HOLMES. No, sir.

MR. KENNEDY. Were you connected with the Boston operation of Sears?

MR. HOLMES. I did some work for Sears, Roebuck in Boston, yes.

MR. KENNEDY. When was that?

MR. HOLMES. The spring of 1953.

MR. KENNEDY. For what purpose did you go up to Boston?

MR. HOLMES. To conduct an employee or an organizational survey, as we called them.

MR. KENNEDY. Did you conduct such a survey?

MR. HOLMES. Yes; I did.

MR. KENNEDY. Did you write a report on that?

MR. HOLMES. I did not commit the survey to a written report; no, sir.

MR. KENNEDY. Did you make a verbal report?

MR. HOLMES. Yes; I did.

MR. KENNEDY. Did you make any written reports on what you found in Boston?

MR. HOLMES. As far as the survey is concerned, no.

MR. KENNEDY. Did you make any other written reports on the Boston situation?

MR. HOLMES. Yes, sir.

MR. KENNEDY. How many written reports did you make?

MR. HOLMES. One to my knowledge.

THE CHAIRMAN. I hand you what purports to be a photostatic copy of a memorandum from Raymond E. Holmes dated October 7, 1953, and addressed to Mr. C. B. Caldwell, re Boston. Will you please examine that and state if you identify it?

MR. HOLMES. Yes; this is a memo I prepared for Mr. Caldwell.

THE CHAIRMAN. Thank you very much. It may be made exhibit No. 24.

(The document referred to was marked "Exhibit No. 24" for reference and will be found in the appendix on pp. 6231-6234.)

MR. KENNEDY. Mr. Chairman, let me ask you this. Was the memo written on the situation that existed in Boston in connection with the drive by the retail clerks?

MR. HOLMES. It was a historical viewpoint that was given to me by Mr. John Lind.

MR. KENNEDY. Who was Mr. John Lind?

MR. HOLMES. Mr. Lind at the time was an organizer for the laundry workers.

MR. KENNEDY. How did he happen to know about what was the situation in Boston?

MR. HOLMES. His position prior to going with the laundry workers was as organizer for the retail clerks.

MR. KENNEDY. Had Mr. Shefferman got him his job in the laundry workers?

MR. HOLMES. So Mr. Lind told me; yes.

MR. KENNEDY. Mr. Shefferman had secured for him a position of organizer with the laundry workers?

MR. HOLMES. Yes, sir.

MR. KENNEDY. Was Mr. Lind at that time doing work for the teamsters?

MR. HOLMES. He was representing himself as working for the teamsters, or with the teamsters.

Mr. KENNEDY. Was that at the suggestion of Mr. Shefferman that he do the work in the store for the teamsters?

Mr. HOLMES. I do not know.

Mr. KENNEDY. Do you know how he happened to start or be doing work for the teamsters, although an organizer for the laundry workers union?

Mr. HOLMES. Well, from what he told me, and I reported in this memo, apparently he had decided to be helpful to both Sears and to Mr. Shefferman.

Mr. KENNEDY. Mr. Chairman, I would like to have a member of the staff read the memorandum into the record.

The CHAIRMAN. All right.

TESTIMONY OF PIERRE SALINGER—Resumed

Mr. SALINGER. Memo to C. B. Caldwell.

The CHAIRMAN. Do you have extra copies of it so that we can follow it?

Mr. SALINGER. Yes. Re: Boston, dated October 7, 1953, signed by R. E. Holmes.

Pursuant to our conversation, the following is the historical development of the retail clerks' attack on Sears, Boston. The following information was obtained from John Lind and by no means represents the entire story.

The initial contact with Sears was made in June of 1950 when a friend of John Lind was released by the Cambridge store. At this time Lind began to meet with a small group of Sears employees from the Cambridge store.

In July, Roy Webber contacted John Lind and expressed his interest in switching the Sears Employees Council to the retail clerks. The following evening Lind met with Webber, Earl Merifield, Ferguson, and Marty Gibson. At this meeting Webber said the council had gone as far as it could and was now being pushed around by management, that they needed outside help. They were given cards to sign people up in both stores, the Cambridge and Fenway stores.

The response on the part of Sears employees was tremendous. With Roy Webber's backing almost 80 percent of the people were signed up for the retail clerks. A hearing was held and an election was directed by the NLRB for November 30.

Prior to this election, Mr. Nugent, the Sears group manager, contacted Roy Webber and for the sum of \$20 a week additional pay switched Roy Webber over to work for the council.

On November 30 the election was held and lost by the retail clerks to the Sears Employees Council. The deciding factor in this election was Roy Webber. He wielded tremendous influence among the various employee groups in the store. In spite of the retail clerks' loss, John Lind never lost contact with certain groups of employees in the store. He continued to have meetings with these employees regularly.

Early in 1952 Mr. Nugent was transferred out of Boston and Mr. McDermott became the new group manager. When Nugent left the Webber deal of \$20 per week also was stopped.

In May 1952, Roy Webber again contacted Lind and said that he had made a mistake and felt that the company was trying to break up the council completely. The following day Lind was contacted by Bailey and Verpillat. This meeting was held and Lind was informed that Webber was going to be thrown out of the council and Bailey would become the new president. The following day Lind brought together Webber, Bailey, and Verpillat for another meeting and the decisions was that they were to all work together. Lind said that he would take on the job, but he insisted that this time he would get \$2 with every application card. This procedure was agreed upon.

It was further agreed that the clerks would issue a charter for the Sears Employees Council and that rather than attempt another organizing drive that the council would merely affiliate with the retail clerks.

With the council attorney Roitman it was decided that certain constitutional changes would have to take place. However, the first and foremost thing was

the election of new officers for the council. In October a slate of officers was put through by this group, and in November they were unanimously elected. Local management went along with this election mainly because they felt that the officers that were elected were weak and could easily be controlled, which was precisely the same attitude that Webber and Lind had when they slated this group.

At this point Verpillat began to work with the company and a great deal of information regarding the activities of Lind and Webber and Bailey was brought to the attention of management. However, no action was taken on a part of either management or the clerks until a constitutional meeting and executive board meeting were held in the early part of January 1953.

At that time the executive voted to change the constitution section on affiliation to read that in order to affiliate with another union a majority of those voting was necessary. It had previously read "a majority of the membership." Once this constitutional change was put into effect a general meeting of the membership was held on January 15.

The Fenway store, local 1, voted to affiliate by 224 to 34. The Cambridge store voted for affiliation 54 to 50. Prior to this general meeting Mr. McDermott made a speech in the Fenway store in which he reportedly stated that he was not interested in how the people voted but rather that they vote. He conveyed the impression that he was in favor of their voting for the retail clerks.

This speech has been used as a very important issue all the way through by the retail clerks, stating that management even expressed a desire for the clerks and then turned around and changed his mind. It had, in their minds, no business to inject itself into this matter in the first place.

In late April and early May of 1953 contact was made through N. W. Shefferman with John Lind. At that time it was determined that Lind was interested in getting out of the clerks and was willing to play along on any sort of deal that would not put him in too bad a light in the union movement.

Lind was offered a job and accepted with the laundry workers. At that time the Board hearing was being considered. He accepted and tendered his resignation to the clerks. This premature resignation on his part actually hurt any possible chance that he had on the inside to swing this thing over.

Recognizing that Lind could not come out and work for the council, with the help of Nick Morrissey of the teamsters he began to work, organizing supposedly for the teamsters. This has been done very quietly and through a very select group in the store. About 10 weeks ago a proposal was offered to management in which it was hoped to point out that the clerks could do nothing for the employees of Sears, but that the teamsters had the necessary strength to help them. The proposal was simply that two people were to be fired. One was Marty Gibson from the Fenway store and the other was Santucci from the warehouse. Gibson management decided it did not want back on the payroll as an employee, and therefore could not be used as an issue. Santucci, in spite of his rabid position on the retail clerks side, was too valuable to let go, so that a substitute had to be found. A George Brody was substituted for Santucci on a very flimsy case.

The CHAIRMAN. Is that the same George Brody we had here this morning?

Mr. HOLMES. I don't know, sir.

Mr. SALINGER (reading) :

In addition to these 2 men, 3 additional employees from the Cambridge store were also going to be released. However, management had good cases on all three of these.

The Brody discharge backfired and it was necessary to put him back on the payroll within a week, the retail clerks claiming credit for this. However, on the three people from Cambridge store, the Board investigators ruled that there was no unfair labor practice connected with their discharge and therefore their cases were dropped.

The matter of Gibson went to a hearing and 2 weeks ago the Board ruled that the company was justified in its actions to fire Gibson for insubordination, since 7 girls in the credit department signed affidavits to the effect that Gibson was insubordinate. Gibson is now an unpaid employee in the retail clerks office. Gibson exercises considerable influence over a greater number of the older women in the store since he for many years was the dues collector for the council.

Present developments within the retail clerks are as follows: The dues collection for the clerks have dropped 50 percent or less. Local 1291 of the retail clerks is presently paying part of the bills for organizing Sears with the intention of taking over if and when an election is held. The employees are becoming more and more afraid of Sammy Myers' promises, particularly since the Board ruled against the clerks on the Gibson matter. It is expected that Myers will probably make Gibson the business agent. However, Roy Webber wants Hessian appointed to the business agent's job. Should Gibson get the job this would create a cleavage within the ranks of the clerks. The Gibson appointment would be a good thing since Gibson is one of the "boys."

Lind's latest proposal for proving the inability of the clerks to handle any situation is that five people who work closely with him be released for collecting dues on company time out in the open. These people are: Jimmy Donohue, Alta Morinensee, Alice Ogar, George Moresco, and Lil Murray. According to Lind these people are willing to go along with this type of operation.

Lind at the present time has approximately 30 people working for him. Among that 30 is Tommy Lydon, who is the most acceptable of all the people in either one of the stores to head up either the council or any other type of organization which might possibly grow out of this situation. A meeting is to be held by Sam Myers on the evening of October 7. It is expected that the business agent appointment will be made at that time. Also McWilliams of the Cambridge store and Jimmy Donohue of the Fenway store are going to raise the question of the necessity of continuing to pay dues during this period while they are awaiting the Board's decision. It is generally felt that if the membership should decide to stop paying dues that the retail clerks would lose interest in the operation.

Generally the people are critical of the following: The last flier sent out by the council was mailed on the Sears postal meter. This action has tended to prove to the people that the company has more than just a passing interest in the council. Furthermore, the division managers in the Cambridge store are putting pressure on the employees to join the council. This pressure is not being received too well by the employees since they feel that the division managers have no stake in this operation. Lind and Zenga feel that McDermott should be kept out of all future operations, since he is too honest. Both of these men feel that time is the important element and that there should be someone in Boston living with the situation who can make the necessary decisions without waiting a week until Miller or McDermott get around to doing something. Both of these men feel that Paul Rohrdanz is doing a good job but is handicapped by the fact that he works for McDermott. He follows instructions well and has a great deal of savvy in this matter. It is my personal belief that Rohrdanz could not carry out the responsibility for this thing since he is subject to too much direct influence. However, I would recommend that consideration be given to Sheetz, the mail order personnel manager, to take charge of this store on a full-time basis. He is well acquainted with the union people in the town, well liked by the employees, and highly respected by the management people concerned.

Trusting this report meets with your approval.

Respectfully submitted, Raymond E. Holmes, October 7, 1953.

REH: dm.

Mr. KENNEDY. Who was McDermott? What was his position?

Mr. HOLMES. Mr. McDermott was the group manager of the Boston stores.

Mr. KENNEDY. And it was generally felt around there by Lind—and Lind was the one working for the teamsters, and Zinga was a teamster official, is that right?

Mr. HOLMES. That is right.

Mr. KENNEDY. That they felt that McDermott should be kept out of all operations because he was "too honest"?

Mr. HOLMES. That was Mr. Lind's impression; yes.

Mr. KENNEDY. There is one thing in here that is not clear, and that is the firing. What was the firing supposed to accomplish?

Mr. HOLMES. Well, according to Lind this was supposed to demonstrate the strength of the teamsters, who he supposedly was organizing for, as compared with the retail clerks.

Mr. KENNEDY. Was it arranged that the teamsters would be able to get these employees their jobs back while the retail clerks could not, and therefore the people would feel that the teamsters were stronger than the retail clerks?

Mr. HOLMES. That was the way Mr. Lind had it set up; yes.

Mr. KENNEDY. So the operation, as I understand it, in Boston, was that there were three separate operations that were going simultaneously.

(1) The company was supporting the vote "no" committee;

(2) The company was supporting the unaffiliated council; and

(3) The company was supporting the teamsters, all three against the retail clerks. Is that right?

Mr. HOLMES. Well, I would say on the basis of what Mr. Lind told me; yes.

Mr. KENNEDY. You were up there. You know also?

Mr. HOLMES. Well, some of the things which you recount, I don't know. I was not involved in and I have no direct knowledge of it.

Mr. KENNEDY. At least you know that the company, through Shefferman, was assisting the teamsters in their drive, and that they had made an arrangement as an example, in one case, to fire some employees and give credit to the teamsters for getting him back?

Mr. HOLMES. That is right, the way Mr. Lind had it set up, yes.

Mr. KENNEDY. And we had the testimony this morning by Mr. DeGiacomo that they were helping the vote "no" committee, and we had the testimony before that they were helping the council.

Mr. HOLMES. There was, actually, Mr. Kennedy, no teamster drive as such at the time that I was there. I believe some of this was a later date in 1954, which I was not involved with.

Mr. KENNEDY. You made some payments to Mr. Lind, yourself?

Mr. HOLMES. Yes; I did.

Mr. KENNEDY. How much money did you give Mr. Lind?

Mr. HOLMES. Approximately \$450.

Mr. KENNEDY. For what purpose did you pay Mr. Lind?

Mr. HOLMES. Well, he was entertaining, supposedly, 30 people, and had considerable out-of-pocket expenses which he felt he should be reimbursed for.

Mr. KENNEDY. At that time he was an organizer for the laundry workers union?

Mr. HOLMES. Yes; he was.

Mr. KENNEDY. Did it occur to you or to any of the other officials that were making these extra payments, payments that were made to the heads of the council, which is supposed to be a labor union, and your payments to Mr. Lind—did it occur to any of you that this might be in violation of section 302 of the Criminal Act?

Mr. HOLMES. Insofar as my connection with Mr. Lind was concerned, no; it did not occur to me.

Mr. KENNEDY. Are you familiar with section 302 (a)?

Mr. HOLMES. No, sir.

Mr. KENNEDY (reading) :

It shall be unlawful for any employer to pay or deliver or agree to pay or deliver any money or anything of value to any representative of any of his employees who are employed in an industry affecting commerce.

Mr. HOLMES. Well, in view of that statement, sir, isn't it true that the laundry workers were not representing Sears Roebuck & Co.?

Mr. KENNEDY. No, but as I understand it, Mr. Lind was working for the teamsters, according to your testimony, and according to this report—

Mr. HOLMES. Excuse me, sir, but I think the way it was to appear was that he was working for the teamsters. He actually—

Mr. KENNEDY. As I understand, you were making some arrangements with Mr. Lind. Mr. Lind had gotten his job as a laundry worker through Mr. Shefferman and then Mr. Shefferman had made arrangements through Mr. Lind to perform certain acts on behalf of the teamsters union, with the company. Is that correct?

Mr. HOLMES. Well, from what he told me, and I can only repeat what is in the memo, is that it was to appear that he was working for the teamsters.

Mr. KENNEDY. What did you give him the money for, again?

Mr. HOLMES. Purely out-of-pocket expenses which he claimed to have incurred in connection with entertaining the people that were working with him or for him.

Mr. KENNEDY. And what were they trying to accomplish?

Mr. HOLMES. Well, as nearly as I can figure it out, just confusion.

Mr. KENNEDY. They were trying to accomplish confusion?

Mr. HOLMES. As nearly as I can figure it out.

Mr. KENNEDY. Would you explain that?

Mr. HOLMES. Well, from what Mr. Lind described to me in the course of my conversation with him, he merely was attempting to prove that the clerks could not accomplish the job that they were attempting to do, and his point was that he could confuse the issue by being in the act, supposedly acting for the teamsters.

Mr. KENNEDY. And this was all supported by the company?

Mr. HOLMES. If you mean supported—paid for—yes.

The CHAIRMAN. You mean by the confusion, the purpose of it was to keep any effective labor organization from being established in the plant. That is what it actually amounted to, isn't it?

Mr. HOLMES. I think that would describe it; yes, sir.

The CHAIRMAN. Are there any questions?

All right, thank you very much.

Call the next witness.

Mr. KENNEDY. Mr. Rohrdanz.

The CHAIRMAN. You do solemnly swear that the evidence you shall give before this Senate select committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. ROHRDANZ. I do.

STATEMENT OF PAUL G. ROHRDANZ

The CHAIRMAN. State your name, your place of residence, and your business or occupation.

Mr. ROHRDANZ. My name is Paul G. Rohrdanz. I live at 56 Potter Avenue, Orchard Park, N. Y. I am a retailer.

The CHAIRMAN. What is your business or occupation?

Mr. ROHRDANZ. I am a retailer, sir.

The CHAIRMAN. Do you own your own business?

Mr. ROHRDANZ. No, sir.

The CHAIRMAN. Working for whom?

Mr. ROHRDANZ. Working for the Kleinhanz Co., sir.

The CHAIRMAN. Do you waive counsel?

Mr. ROHRDANZ. Yes, sir.

The CHAIRMAN. All right. Go ahead.

Mr. KENNEDY. What company do you work for, Mr. Rohrdanz?

Mr. ROHRDANZ. The Kleinhanz Co.

Mr. KENNEDY. Where is that?

Mr. ROHRDANZ. Buffalo, N. Y.

Mr. KENNEDY. How long have you been with them?

Mr. ROHRDANZ. Since May of 1956.

Mr. KENNEDY. I would like to say about Mr. Rohrdanz, Mr. Chairman, that from the beginning, from the first time that we interviewed Mr. Rohrdanz, he has been cooperative with the committee and very candid.

The CHAIRMAN. All right.

Mr. KENNEDY. You were with Sears, Roebuck prior to that time?

Mr. ROHRDANZ. Yes, sir.

Mr. KENNEDY. For what period of time? How long?

Mr. ROHRDANZ. I was employed by Sears, Roebuck in March of 1946 and I left them in May 1956.

Mr. KENNEDY. You were in Boston for a period of time?

Mr. ROHRDANZ. I was in Boston from some time in February, I believe, of 1953, until I left Sears in 1956.

Mr. KENNEDY. In February of 1953, did you understand that there was a drive by the retail clerks?

Mr. ROHRDANZ. Yes, sir.

Mr. KENNEDY. That there was a council, an employees council, at the store in Boston, that the council had voted to affiliate with the retail clerks?

Mr. ROHRDANZ. Yes, sir.

Mr. KENNEDY. And at approximately the same time that you arrived in Boston, some representatives from the Labor Relations Associates also came?

Mr. ROHRDANZ. I believe they preceded me, sir.

Mr. KENNEDY. Just by a few days?

Mr. ROHRDANZ. Some time before. I am not sure how long.

Mr. KENNEDY. But you arrived in February 1953?

Mr. ROHRDANZ. Yes, sir.

Mr. KENNEDY. I believe they came February 9, 1953, so it was approximately the same time. Did you receive any instructions at that time as to what your relationship was to be with them, with Labor Relations Associates?

Mr. ROHRDANZ. Yes, sir. I received instructions that I was to cooperate with the representatives of Labor Relations Associates who were in Boston, and also to report all of the requests that they made to me and all of the discussions that were carried on to my superior, Mr. McDermott, the Boston group manager, and also to Mr. Walter

Hook, who was the employee relations officer on the staff of the territorial vice president in Philadelphia.

Mr. KENNEDY. Could you talk up a little louder? It is rather difficult to hear.

Mr. ROHRDANZ. I am sorry.

Mr. KENNEDY. Subsequently, did you meet with Mr. Guffy, of Labor Relations Associates?

Mr. ROHRDANZ. Yes, sir; I did.

Mr. KENNEDY. Where was that? The Hotel Braemore?

Mr. ROHRDANZ. Hotel Braemore; yes, sir.

Mr. KENNEDY. What did he tell you he was doing there at the time?

Mr. ROHRDANZ. He told me he was working to build up the membership of the Sears, Roebuck Employees Council unaffiliated.

Mr. KENNEDY. And did he have cards at that time that were to be passed out for the employees?

Mr. ROHRDANZ. I never saw any cards, sir.

Mr. KENNEDY. Did you learn anything about the cards?

Mr. ROHRDANZ. No, sir. I knew there were cards, but I never saw any cards.

Mr. KENNEDY. But Guffy, at least, told you that he was there to build up the council?

Mr. ROHRDANZ. Yes, sir.

Mr. KENNEDY. All right. And you were given the job of coordinating the activities of Mr. Guffy with the company management?

Mr. ROHRDANZ. Any request that Mr. Guffy might have, I was to fulfill, and report to the company what the requests were.

Mr. KENNEDY. Did you turn over a list of the employees at Sears, Roebuck to Mr. Guffy?

Mr. ROHRDANZ. Yes, sir.

Mr. KENNEDY. And did he also want the home addresses of all of these people?

Mr. ROHRDANZ. Yes, sir.

Mr. KENNEDY. Was that information made available to him?

Mr. ROHRDANZ. Yes, sir.

Mr. KENNEDY. Did you also meet up there with Herbert Melnick?

Mr. ROHRDANZ. Yes, sir.

Mr. KENNEDY. And he was from Labor Relations Associates, also?

Mr. ROHRDANZ. Yes, sir.

Mr. KENNEDY. What did Mr. Herbert Melnick say he was doing up there?

Mr. ROHRDANZ. At the time I met Mr. Melnick, he was in the process of conducting a survey or review of the employees of the Boston Fenway store.

Mr. KENNEDY. Was he up there to try to find out whether the employees were for or against the union?

Mr. ROHRDANZ. It was described to me, sir, as to how they felt about the company.

Mr. KENNEDY. But was it done in the guise of trying to get suggestions from the employees as to what they thought of the 25th anniversary of Sears, Roebuck?

Mr. ROHRDANZ. Yes, sir.

Mr. KENNEDY. He went around and said that was the reason that he was there when, in fact, he was trying to find out how they felt about the company?

Mr. ROHRDANZ. Yes, sir; that is correct.

Mr. KENNEDY. Did he have cards that he made up on these employees?

Mr. ROHRDANZ. Yes; he did.

Mr. KENNEDY. Three-by-five cards?

Mr. ROHRDANZ. Yes.

Mr. KENNEDY. Would he indicate on these cards how the people felt about the company?

Mr. ROHRDANZ. Yes, sir.

Mr. KENNEDY. How often did you meet with Mr. Guffy? Did you meet with him often?

Mr. ROHRDANZ. I would say in the neighborhood of about 12 times, sir, or perhaps a few more than that.

Mr. KENNEDY. At that time, did you discuss individuals in the store that were for or against the union?

Mr. ROHRDANZ. Yes, sir, although I couldn't help him too much.

Mr. KENNEDY. Did he make suggestions that certain employees who were in favor of the retail clerks be transferred from their jobs?

Mr. ROHRDANZ. Yes, sir. He made requests on transfers of individuals from one department to another, most of them in the Cambridge store.

Mr. KENNEDY. And did those transfers take place?

Mr. ROHRDANZ. Perhaps some few of them did, sir. Many of them did not.

Mr. KENNEDY. But some of them did take place?

Mr. ROHRDANZ. I believe so, sir. I am not sure.

Mr. KENNEDY. Was this based on their feeling for or against the union?

Mr. ROHRDANZ. Well, sir, I don't know how much consideration there was in that. It was explained to me that some of these men in the departments they were then in were not making as much money as they should and perhaps—

Mr. KENNEDY. Let me go back. Didn't he make suggestions on people that should be transferred out of their departments because they were in favor of the union?

Mr. ROHRDANZ. Yes, sir; that is correct.

Mr. KENNEDY. And some of those transfers did take place?

Mr. ROHRDANZ. Some few of them did, sir. Yes, sir.

Mr. KENNEDY. Was there also discussion as to what should be done with Mr. Roy Webber, who was one who was leading the fight for the retail clerks?

Mr. ROHRDANZ. I don't recall ever discussing that with Mr. Guffy, sir.

Mr. KENNEDY. Did he tell you that Roy Webber was the main power behind the retail clerks?

Mr. ROHRDANZ. Yes, sir; that was told to me.

Mr. KENNEDY. Was there any action taken against Mr. Roy Webber?

Mr. ROHRDANZ. Yes, sir.

Mr. KENNEDY. What happened?

Mr. ROHRDANZ. Mr. Webber was released, sir.

Mr. KENNEDY. Was this because of his activities in the union?

Mr. ROHRDANZ. Partly, sir.

Mr. KENNEDY. And partly, also, because he was low man in sales?

Mr. ROHRDANZ. Yes, sir. He had been for some time.

Mr. KENNEDY. Were better jobs given to those who supported the unaffiliated council, the places where they could make more money?

Mr. ROHRDANZ. There were some few transfers which, I believe, resulted in that; yes, sir.

Mr. KENNEDY. You never met Mr. John Lind, I understand.

Mr. ROHRDANZ. No, sir. I did meet Mr. Lind.

Mr. KENNEDY. You did meet Mr. Lind?

Mr. ROHRDANZ. Yes, sir.

Mr. KENNEDY. Did he discuss with you what he was doing up there?

Mr. ROHRDANZ. The first time I met Mr. Lind he talked with me about a pamphlet or a broadside for the Sears, Roebuck Employees Council.

Mr. KENNEDY. A pamphlet?

Mr. ROHRDANZ. A broadside. A handout piece.

Mr. KENNEDY. And did he say what he was doing for the teamsters up there?

Mr. ROHRDANZ. Yes, sir. He told me that he had a group of people inside the store who were actively engaged in working for the teamsters.

Mr. KENNEDY. Were you to assist him in any way possible, also?

Mr. ROHRDANZ. Those were the instruction I received; yes, sir.

Mr. KENNEDY. So you were assisting the unaffiliated council and also assisting the teamsters; is that right?

Mr. ROHRDANZ. Yes, sir; but when I would get a request of a type, for example, from many of these people, I would report it back to my superiors, and not all of them came about.

Mr. KENNEDY. I understand that you were taking instructions, and that you would pass these requests on.

Mr. ROHRDANZ. That is correct.

Mr. KENNEDY. But you did on occasion assist both groups; is that right?

Mr. ROHRDANZ. Yes, sir; that is correct, sir.

Mr. KENNEDY. Did Lind tell you whom he was working with in the Teamsters Union in Boston?

Mr. ROHRDANZ. No, sir.

Mr. KENNEDY. Did you ever meet Zenga?

Mr. ROHRDANZ. Yes, sir; I did.

Mr. KENNEDY. Was he a business agent for the teamsters?

Mr. ROHRDANZ. Yes, sir.

Mr. KENNEDY. Did Mr. Zenga say that he was working for the council, or what did he tell you?

Mr. ROHRDANZ. He implied that because he talked about the same broadside or handout piece that Mr. Lind did.

Mr. KENNEDY. Did you learn about Mr. John Lind? Were you told about what his history was? His background?

Mr. ROHRDANZ. No, sir; only that he had been an organizer for the retail clerks and was now an organizer or an employee of the laundry workers.

Mr. KENNEDY. What?

Mr. ROHRDANZ. He was now and—had been an organizer for the retail clerks and was now an employee or organized for the laundry workers.

Mr. KENNEDY. Did you understand Mr. Shefferman had gotten his job for him?

Mr. ROHRDANZ. No, sir; I was never told that.

Mr. KENNEDY. Did you understand that around Mr. Lind was being built this small group that were going to be in favor of the teamsters?

Mr. ROHRDANZ. Yes, sir; I did.

Mr. KENNEDY. Did Mr. Donoghue—was he one of those who were supposed to be working for the teamsters?

Mr. ROHRDANZ. Yes, sir.

Mr. KENNEDY. Was there a request made that he receive a better job than the place that he was in?

Mr. ROHRDANZ. Yes, sir.

Mr. KENNEDY. That he be transferred into a better job?

Mr. ROHRDANZ. Yes, sir.

Mr. KENNEDY. And was that transfer made?

Mr. ROHRDANZ. Yes, sir. He was transferred into a similar one and transferred into his original job later.

Mr. KENNEDY. Was he transferred to a job where he could make more money?

Mr. ROHRDANZ. They were both similar departments. Perhaps the potential was greater in the second, but he himself, I believe, requested transfer back to the original department that he was in before the transfer took place.

Mr. KENNEDY. Had he requested the transfer originally?

Mr. ROHRDANZ. Yes, sir.

Mr. KENNEDY. On the basis that he was not making enough money?

Mr. ROHRDANZ. Yes, sir.

Mr. KENNEDY. And that transfer was made for that reason?

Mr. ROHRDANZ. Well, a continual request over a period of time; yes, sir.

Mr. KENNEDY. Did you talk to Mr. Shefferman during this period of time?

Mr. ROHRDANZ. Yes, sir.

Mr. KENNEDY. Did he make suggestions as to what kind of literature should be put out?

Mr. ROHRDANZ. Yes, sir.

Mr. KENNEDY. What was said about the teamster organization? Did you hear anything about what they were going to do; what the purpose of bringing them into the store was?

Mr. ROHRDANZ. Well, I got the impression, sir, that the teamster organization in the store—if they were successful, the teamster organization, if they gathered strength, would sort of wither away. I don't think there was a great deal of feeling on the part of anyone in the company that I was in contact with that it would ever amount to—

Mr. KENNEDY. If the teamsters were successful, the organization wouldn't remain active if they did achieve success?

Mr. ROHRDANZ. Yes, sir; but I don't think there was ever any feeling of success on the part of that organization.

The CHAIRMAN. This was kind of a four-way street, was it not? You had the council, then you had the retail clerks, you had the teamsters, and then you had the no vote committee?

Mr. ROHRDANZ. Yes, sir.

The CHAIRMAN. It was pretty easy to keep things confused when you had all of that material, wasn't it?

Mr. ROHRDANZ. Yes, sir.

The CHAIRMAN. That was the whole purpose of it, to keep things in a state of confusion, so that no one could get a majority of the votes?

Mr. ROHRDANZ. No, sir. At least that explanation was never told to me. As I understood on this teamster organization, there was very little chance for their success, but I do think the idea was that if anything did come up—

The CHAIRMAN. Well, it would help. The more you had seeking to gain representation from the workers—the more different organizations—the more confusing it would be to them as to which one was the best to join, if any. Also, the less likely any one of them would be to get a majority of the vote.

Mr. ROHRDANZ. Yes, sir; that would be true.

Mr. KENNEDY. During this period of time, were you informed of the scheme that had been worked up about the firing of certain individuals?

Mr. ROHRDANZ. Yes, sir.

Mr. KENNEDY. Could you tell us about that?

Mr. ROHRDANZ. Yes, sir. I was called into Mr. McDermott's office and informed that a proposal—

Mr. KENNEDY. Would you speak up a little louder?

Mr. ROHRDANZ. Yes, sir.

Mr. KENNEDY. I don't think this helps much, but just speak up.

Mr. ROHRDANZ. Yes, sir. I was called into Mr. McDermott's office one morning, and he informed me that a proposal had been made to him by Mr. Caldwell that a person or several persons of the company be released, that those persons to be released were in the warehouse area, which had previously been employees council and was now being actively organized by the retail clerks, that if these people were released, they would seek out the teamsters people in Boston to be replaced, or to be reinstated, and that the retail clerks would thereby be ineffective, and the teamsters would gain stature from such a move.

Mr. KENNEDY. And was that plan put into operation?

Mr. ROHRDANZ. With one man, sir.

Mr. KENNEDY. What was that man's name?

Mr. ROHRDANZ. Mr. Brody.

Mr. KENNEDY. He was fired with the understanding that he would be reinstated by the teamsters; is that right?

Mr. ROHRDANZ. That is correct.

Mr. KENNEDY. Did you understand that he was approached or the scheme went through and this man was approached by the teamsters?

Mr. ROHRDANZ. I understand—

Mr. KENNEDY. You tell us what happened.

Mr. ROHRDANZ. I understand he was approached by the teamsters, but that he had little or no interest in the teamsters and that he filed an unfair-labor-practices charge against the company for the release. The unfair-labor-practices charge was investigated by a representative of the National Labor Relations Board and as soon as the investigation began, it was apparent that there was no substance to the release and the man was reinstated with back pay, sir.

Mr. KENNEDY. So that the scheme backfired, did it?

Mr. ROHRDANZ. Yes, sir; it didn't produce the result that was intended.

Mr. KENNEDY. Because Mr. Brody refused to go along with the teamsters?

Mr. ROHRDANZ. I gather that; yes, sir.

Mr. KENNEDY. But the teamsters approached him and said they could get his job back and he said he did not want to have anything to do with them?

Mr. ROHRDANZ. Yes, and instead he filed the unfair-labor-practice charge against the company.

Mr. KENNEDY. Was that plan tried again?

Mr. ROHRDANZ. No, sir.

Mr. KENNEDY. That was the last of that plan?

Mr. ROHRDANZ. The only time, sir.

Mr. KENNEDY. Were you told that there were two individuals or several people who were working at the warehouse, Boston warehouse, of the Sears, Roebuck Co. who were down there being paid by the Sears, Roebuck Co. but working for the teamsters?

Mr. ROHRDANZ. Yes, sir; I was.

Mr. KENNEDY. Was their job down there?

Mr. ROHRDANZ. They were to work actively on behalf of the teamsters in the Alton warehouse, or the central service portion of the organization.

Mr. KENNEDY. But this—they were being paid by Sears, Roebuck to do this work?

Mr. ROHRDANZ. They were on the payroll, sir.

Mr. KENNEDY. Were they doing any work other than the organizing?

Mr. ROHRDANZ. It seems to me, in reflection, that they were assigned as parts men, and the parts stockkeepers or stockkeepers.

Mr. KENNEDY. They were doing other work than organizing for the teamsters?

Mr. ROHRDANZ. Yes, sir; they had a regular job, a regular assignment in the company.

Mr. KENNEDY. Would they be allowed to organize for the teamsters on company time?

Mr. ROHRDANZ. I don't know exactly how extensive their activities were in the warehouse. The warehouse manager complained several times about their wandering around, but they held an actual assignment. I have no idea as to the amount of time spent.

Mr. KENNEDY. Did you know about the plan to further the prestige of the teamsters by wrecking Mr. Donoghue's car?

Mr. ROHRDANZ. Yes, sir.

Mr. KENNEDY. Would you tell us what you knew about that?

Mr. ROHRDANZ. Yes, sir. I was informed of that on the morning, or the evening of which it occurred.

Mr. KENNEDY. What was to be done?

Mr. ROHRDANZ. That the tires were to be slashed and the windshield broken, of Mr. Donoghue's car, and the effect of it to be that it would blame the retail clerks for the action.

Mr. KENNEDY. Who told you that?

Mr. ROHRDANZ. Mr. Robey.

Mr. KENNEDY. Mr. Robey told you that?

Mr. ROHRDANZ. Yes, sir.

Mr. KENNEDY. That was, in fact, done, was it?

Mr. ROHRDANZ. Yes, sir, and I tried to get in touch with Mr. Miller, my superior on that, and I didn't reach him until late that night, but it did appear—

Mr. KENNEDY. Is that the man who testified here this morning—Mr. Robey?

Mr. ROHRDANZ. Yes, sir.

Mr. KENNEDY. The one that took the fifth amendment?

Mr. ROHRDANZ. Yes, sir.

Mr. KENNEDY. Was that Mr. Robey's plan, do you know?

Mr. ROHRDANZ. I don't know, sir.

Mr. KENNEDY. He is the one that told you about it?

Mr. ROHRDANZ. Yes, sir.

Mr. KENNEDY. Now, did you also understand there was a detective that was brought up there to watch the activities of some of the employees?

Mr. ROHRDANZ. Yes, sir. I found that out in the summer of 1954.

Mr. KENNEDY. That was a detective brought in from Chicago?

Mr. ROHRDANZ. Yes, sir.

Mr. KENNEDY. And was he told to follow and trace the activities of Mr. Roy Webber, for instance?

Mr. ROHRDANZ. Yes, sir, that is what I understood.

Mr. KENNEDY. And then also, the head of the council, he was told to watch or investigate him, the head of the clerks, I mean, the head of the retail clerks, Mr. Bailey?

Mr. ROHRDANZ. No, sir, I didn't know that.

Mr. KENNEDY. Did you know he was also interested in Mr. Linden?

Mr. ROHRDANZ. Yes, sir, I did.

Mr. KENNEDY. And these were people that were active for the union, is that right?

Mr. ROHRDANZ. Yes, sir.

Mr. KENNEDY. For the retail clerks?

Mr. ROHRDANZ. Yes, sir.

Mr. KENNEDY. Do you know who made arrangements for him to be brought in there to do that work?

Mr. ROHRDANZ. No, sir, I do not.

Mr. KENNEDY. Now, going back to Mr. Lind's activities, was Mr. Lind given anything by you or did you give Mr. Lind any money?

Mr. ROHRDANZ. No, sir.

Mr. KENNEDY. Did you make any arrangements for him to receive any merchandise?

Mr. ROHRDANZ. Yes, sir. I received a call from Mr. Hook one morning, from Philadelphia, that I should go out and measure up his kitchen and bedroom in his home at Dorchester, for the purpose of installing two air conditioners. I had been handling air conditioning for the Boston retail group of stores, and had been a serviceman, and I knew how to measure a room for air conditioning, and I measured it, and Mr. Hook told me to see that they were installed and that Mr. Shefferman was to be billed, which I did.

Mr. KENNEDY. The bill was sent to Mr. Shefferman?

Mr. ROHRDANZ. Yes, sir.

Mr. KENNEDY. Now, did you make any purchases to the attorney for the vote "no" committee?

Mr. ROHRDANZ. No, sir; not to the vote "no" committee.

Mr. KENNEDY. For the council?

Mr. ROHRDANZ. For the council; yes, sir. It was subsequent to the hearing held in July of 1953, when Mr. Jackson was either away or intended to be away or had to be away.

Mr. KENNEDY. That is Mr. Lewis Jackson?

Mr. ROHRDANZ. Yes, sir. He said he would not be able to be in Boston, and there was a sum of money that should be given to Mr. Schumb.

Mr. KENNEDY. He was the attorney for the council?

Mr. ROHRDANZ. Yes, sir.

Mr. KENNEDY. And this was the same council that was supposed to be a labor organization and which the Sears, Roebuck store had recognized as a labor organization?

Mr. ROHRDANZ. Yes, sir.

Mr. KENNEDY. And Mr. Jackson told you to make arrangements to pay the attorney for the council?

Mr. ROHRDANZ. Just for that 1 period of time, for that 1 job.

Mr. KENNEDY. For that one job?

Mr. ROHRDANZ. Yes, sir.

Mr. KENNEDY. How much did you pay him?

Mr. ROHRDANZ. About \$1,200, sir.

Mr. KENNEDY. Did you know he received money, other money, from Mr. Jackson directly?

Mr. ROHRDANZ. No, sir; I did not.

Mr. KENNEDY. Did you know he also received money from Mr. Guffy, from Labor Relations Associates?

Mr. ROHRDANZ. No, sir; I did not.

Mr. KENNEDY. Did you know that the company was paying at the same time that the attorney for the council was being paid, that the company was also paying the attorney for the vote "no" committee?

Mr. ROHRDANZ. No, sir.

Mr. KENNEDY. You did not know that?

Mr. ROHRDANZ. No, sir. Are you referring to Mr. DeGiacomo?

Mr. KENNEDY. Yes.

Mr. ROHRDANZ. No, sir; I don't know how those payments were made.

Mr. KENNEDY. Did you hear anything about Mr. Shefferman and his relationship with any union official, or were you told about that?

Mr. ROHRDANZ. No, sir; I was not.

Mr. KENNEDY. Do you know anything, or were you told or did you learn anything, about Mr. Shefferman's relationship with Mr. Dave Beck?

Mr. ROHRDANZ. No, sir.

Mr. KENNEDY. You never had any conversation along those lines?

Mr. ROHRDANZ. No, sir.

Mr. KENNEDY. Did you understand he was very closely connected with Mr. Dave Beck?

Mr. ROHRDANZ. I understood there was a friendship there, but I had no conversations with him or any information on that score.

Mr. KENNEDY. Did you understand that, at the end of this campaign, after the election was held, there were efforts by the company

to dispersal of those individuals that had anything to do with this campaign for the council, or for the vote "no" committee, or for the teamsters, or any knowledge or information about this activity?

Mr. ROHRDANZ. Yes, sir.

Mr. KENNEDY. Was that a campaign to disperse those people out of the Sears, Roebuck Boston store?

Mr. ROHRDANZ. There were some people for whom the company attempted to help them find jobs elsewhere.

Mr. KENNEDY. Was one of them Angelo Giammasi?

Mr. ROHRDANZ. Yes, sir.

Mr. KENNEDY. You spoke to him about getting him a printing press?

Mr. ROHRDANZ. I understood that there was some conversation about buying him some printing equipment; yes, sir.

Mr. KENNEDY. After this was over, did you also leave Sears, Roebuck?

Mr. ROHRDANZ. Yes, sir; I did.

Mr. KENNEDY. Did they suggest that you go someplace else?

Mr. ROHRDANZ. No, sir; they didn't.

Mr. KENNEDY. Were arrangements made for you to go to Philadelphia?

Mr. ROHRDANZ. I was to be transferred to Philadelphia; yes, sir.

Mr. KENNEDY. Immediately following this?

Mr. ROHRDANZ. No, sir; it was a year and a half later.

Mr. KENNEDY. Now, were there also so-called rotating committees set up?

Mr. ROHRDANZ. Yes, sir.

Mr. KENNEDY. Could you tell us what you know about the rotating committee? Was that Mr. Shefferman's idea?

Mr. ROHRDANZ. I don't know whose idea it was originally, sir.

Mr. KENNEDY. Did you go out to Chicago to study a rotating committee?

Mr. ROHRDANZ. Yes, sir.

Mr. KENNEDY. And how the rotating committees operated?

Mr. ROHRDANZ. Yes, sir.

Mr. KENNEDY. You went to Mr. Shefferman's office?

Mr. ROHRDANZ. For 1 day; yes, sir.

Mr. KENNEDY. As you understood his purpose of establishing these rotating committees, it was to determine whether individuals were for or against the union?

Mr. ROHRDANZ. Yes, sir.

Mr. KENNEDY. You felt, however, that these rotating committees could be used for other purposes; is that right?

Mr. ROHRDANZ. Yes, sir; they were used for other purposes.

Mr. KENNEDY. Although he wanted them to be used to spot whether an individual was for or against the union, you felt that there were advantages in using the rotating committee for other purposes?

Mr. ROHRDANZ. Yes, sir.

Mr. KENNEDY. And so they were used up there, but they were not used for the purpose that Mr. Shefferman wanted?

Mr. ROHRDANZ. That is correct, sir.

Mr. KENNEDY. Now, did the council which was being supported by the company, did they ever have any real strength while you were up there?

Mr. ROHRDANZ. I don't believe they had over 30 or 35 people, sir.

Mr. KENNEDY. They never had more than 35 members?

Mr. ROHRDANZ. I don't believe so.

Mr. KENNEDY. And yet the company was supporting them, isn't that correct?

Mr. ROHRDANZ. Yes, sir.

Mr. KENNEDY. And requesting to bargain with them?

Mr. ROHRDANZ. They requested the company to bargain with them.

Mr. KENNEDY. And the company had agreed to bargain with this council, which only had 35 members?

Mr. ROHRDANZ. Yes, sir, that is correct.

Mr. KENNEDY. Now, in addition to getting Giammasi transferred, was there also an effort to transfer Mr. Gannon?

Mr. ROHRDANZ. Yes, sir, or find him work elsewhere.

Mr. KENNEDY. Gannon was one of those who had sponsored the unaffiliated council?

Mr. ROHRDANZ. Yes, sir.

Mr. KENNEDY. Was it explained to you that the reason of getting these people out was so they could not compromise the company?

Mr. ROHRDANZ. That was the general idea, sir.

Mr. KENNEDY. To get them transferred so they could not do that?

Mr. ROHRDANZ. Yes.

Mr. KENNEDY. That is all, Mr. Chairman.

Senator McNAMARA. I have a few questions. I would like to ask the witness who instructed you to cooperate with the Labor Relations Associates?

Mr. ROHRDANZ. Mr. Thomas McDermot and Mr. Walter Hook.

Senator McNAMARA. They were your immediate superiors in Sears, Roebuck Co.?

Mr. ROHRDANZ. Yes, sir.

Senator McNAMARA. What was your relationship with Mr. Caldwell?

Mr. ROHRDANZ. I met Mr. Caldwell perhaps three times, sir, in all of the time I was with Sears.

Senator McNAMARA. You did not consider him one of your superiors as far as employment with Sears was concerned?

Mr. ROHRDANZ. No, sir.

Senator McNAMARA. This business of damaging the employee's car, I understand that your testimony indicated that the company was a party to the damaging of the car.

Mr. ROHRDANZ. No, sir.

Senator McNAMARA. Whose idea was it to damage the car?

Mr. ROHRDANZ. I don't know, sir. I was never told whose idea it was.

Senator McNAMARA. You just knew about it but you did not know where it originated?

Mr. ROHRDANZ. That is correct.

Senator McNAMARA. You do know, that the company replaced the tires that were damaged for the employee and such things?

Mr. ROHRDANZ. Yes, sir.

Senator McNAMARA. You make a distinction between warehouse employees and inside help. Was the teamsters' attempt to organize only in the warehouse section of the operation?

Mr. ROHRDANZ. No, sir; if you are referring to this, the question I think, sir, referred to what was called the Coldspot, which is the retail warehouse for all of the stores in the Boston area.

The teamsters were already the bargaining agent for all of the warehouse employees in that unit. The Sears, Roebuck employees council had been the bargaining agent for the service employees who were under the same roof and worked out at the same building.

Senator McNAMARA. Then did the teamsters attempt to organize the employees of Sears, Roebuck extend beyond that into the inside help?

Mr. ROHRDANZ. The sales force only insofar as Mr. Lind's activities were concerned, so far as I know.

Senator McNAMARA. Which was more or less of a phony thing, as you understood it?

Mr. ROHRDANZ. Yes, sir.

Senator McNAMARA. You mentioned your present employer is a firm or department store in Buffalo, N. Y.; do you know whether or not they are clients of the Shefferman organization?

Mr. ROHRDANZ. No, sir; they are not.

Senator McNAMARA. They are not?

Mr. ROHRDANZ. No, sir.

Senator McNAMARA. Thank you, Mr. Chairman.

The CHAIRMAN. Are there any other questions?

Mr. Rohrdanz, thank you very much. You have been a very frank witness and very candid and we appreciate that kind of cooperation. It is quite refreshing and very helpful to the committee when we can get people in here who just walk up and tell the truth as they know it. Thank you, sir.

Call the next witness.

Mr. KENNEDY. Mr. McDermott.

The CHAIRMAN. You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. McDERMOTT. I do.

TESTIMONY OF THOMAS A. McDERMOTT, ACCOMPANIED BY COUNSEL A. M. WOOD

The CHAIRMAN. State your name and your place of residence and your business or occupation.

Mr. McDERMOTT. My name is Thomas A. McDermott, and I live at 420 Colony Road, Wellesley Hills, Mass., and I am group manager for the Sears, Roebuck & Co. stores in the metropolitan Boston area.

The CHAIRMAN. You have counsel with you—Mr. Wood.

Let the record show Mr. Wood appears as counsel for the witness.

Mr. KENNEDY. Mr. McDermott, you have been with Sears, Roebuck for how long?

Mr. McDERMOTT. Twenty-nine years.

Mr. KENNEDY. And you had a position of authority in the Sears, Roebuck store in 1953?

Mr. McDERMOTT. Yes, I did.

Mr. KENNEDY. What was your position and what did you hold then?

Mr. McDERMOTT. I was the group manager and still am, of the seven stores in the metropolitan area in Boston.

Mr. KENNEDY. You held that position during the period of time that we have been discussing in these hearings?

Mr. McDERMOTT. That is right.

Mr. KENNEDY. You are familiar with what occurred in connection with the drive by the retail clerks and the action that was taken by the company and Labor Relations Associates against the retail clerks?

Mr. McDERMOTT. I am.

Mr. KENNEDY. Now, could you tell me generally what your position was regarding the Labor Relations Associates coming into Boston and starting their activities and whether you supported or whether you were against what they were doing up there.

Mr. McDERMOTT. Well, I was instructed that LRA was to come in.

Mr. KENNEDY. Who instructed you?

Mr. McDERMOTT. Mr. Walter Hook, who I presume got his instructions from Chicago.

Mr. KENNEDY. What was Mr. Walter Hook's position?

Mr. McDERMOTT. He was the territorial employee relations man. He told me that LRA was to come in and take over in this situation.

Mr. KENNEDY. Did you work closely with Mr. Guffy when he arrived up there?

Mr. McDERMOTT. No; I did not work closely with Mr. Guffy. I do not think that I talked to Mr. Guffy more than twice personally.

Mr. KENNEDY. You made arrangements, or the store made arrangements for Mr. Rohrdanz to work with Mr. Guffy.

Mr. McDERMOTT. That is right.

Mr. KENNEDY. Did you know what Mr. Guffy was doing up there?

Mr. McDERMOTT. I knew he was talking to our people and interviewing them.

Mr. KENNEDY. Did you know he was making any of these payments of money?

Mr. McDERMOTT. Not at that time; no, sir.

Mr. KENNEDY. Did you learn about it later?

Mr. McDERMOTT. I learned subsequently that something like that was going on; yes, sir.

Mr. KENNEDY. Did you ever protest Mr. Guffy's activities up there?

Mr. McDERMOTT. I certainly did.

Mr. KENNEDY. Whom did you protest to?

Mr. McDERMOTT. To Mr. Miller, who took over when Mr. Hook resigned from the company.

Mr. KENNEDY. Why did you not approve of what Mr. Guffy was doing?

Mr. McDERMOTT. Because, No. 1, I didn't know what he was telling our people, and No. 2, I didn't care for the man personally, and I just didn't like him. I didn't think he was the type of individual who should be representing Sears, Roebuck & Co. I called Mr. Miller and I told him I thought he should be taken out.

Mr. KENNEDY. Did you know Mr. Guffy wasn't his real name?

Mr. McDERMOTT. Yes, I did, later on.

Mr. KENNEDY. You didn't know at that time?

Mr. McDERMOTT. Well, I knew at some time. While he was there I found that out.

Mr. KENNEDY. The charge of unfair labor practices was brought against Sears, Roebuck in 1953; is that right?

Mr. McDERMOTT. That is correct.

Mr. KENNEDY. And Mr. Guffy's name figured very prominently in those hearings?

Mr. McDERMOTT. That is correct.

Mr. KENNEDY. Why weren't arrangements made to make Mr. Guffy available to the National Labor Relations Board when they were looking for him?

Mr. McDERMOTT. I don't know.

Mr. KENNEDY. Was that a company decision or your decision?

Mr. McDERMOTT. It wasn't my decision.

Mr. KENNEDY. Was it ever discussed with you?

Mr. McDERMOTT. No; it was not.

Mr. KENNEDY. Did you know Mr. Guffy was in Boston at the time the hearing was going on?

Mr. McDERMOTT. I believe I heard that subsequently, but I am not sure. This is 4 years ago.

Mr. KENNEDY. And that he had another name at that time? Mr. Fred Warren?

Mr. McDERMOTT. I believe that was reported to me.

Mr. KENNEDY. And you have no explanation as to why the company didn't make him available to the National Labor Relations Board?

Mr. McDERMOTT. No; I do not.

Mr. KENNEDY. He had some successors up there, Mr. Louis Jackson, Mr. Melnick, and others, and Mr. Robey?

Mr. McDERMOTT. Mr. Melnick did not succeed him.

Mr. KENNEDY. Jackson and Robey succeeded him?

Mr. McDERMOTT. Jackson succeeded him and some time later Robey came in.

Mr. KENNEDY. Did you know what Mr. Jackson was doing up there?

Mr. McDERMOTT. I know he was talking to our people.

Mr. KENNEDY. Did you know that he was supporting the unaffiliated council, supporting the vote "no" committee and supporting the teamsters all at once?

Mr. McDERMOTT. I don't know that Jackson ever supported the teamsters. I know that he supported the unaffiliated council.

Mr. KENNEDY. And the vote "no" committee at the same time?

Mr. McDERMOTT. I guess maybe so, later on.

Mr. KENNEDY. Was that all company policy that he should be doing these things?

Mr. McDERMOTT. Absolutely not.

Mr. KENNEDY. What arrangements were made to support the teamsters? If he didn't do that, there was certainly somebody in the company or somebody from Labor Relations Associates that were supporting the teamsters' drive.

Mr. McDERMOTT. Mr. Kennedy, I don't think there was ever any teamster drive in the store. I was a little surprised at the testimony today. I never met this man Lind. I wouldn't know him if I saw him. But the information that was given to me was that Lind was there to discredit the clerks, not to carry on a drive for the teamsters.

Mr. KENNEDY. Well, according to the information—and it wasn't just the witness today, but the information we have had before—there

was a drive on the part of the teamsters. For instance, there was this scheme of having employees fired.

Did you know about that? And giving the credit to the teamsters for getting them back?

Mr. McDERMOTT. Yes; I knew about it, and I thought it was the most deplorable and disgraceful thing that I ever heard of, and I opposed it as vigorously as I could.

Mr. KENNEDY. Certainly that was an effort to give credit to the teamsters, was it not?

Mr. McDERMOTT. In the warehouse. Not in the retail store.

Mr. KENNEDY. But there was an effort to give credit to the teamsters in the warehouse?

Mr. McDERMOTT. That is right.

Mr. KENNEDY. Was that in opposition to the retail clerks?

Mr. McDERMOTT. That was in opposition to the retail clerks.

Mr. KENNEDY. All right. Then you must have been aware that the company, then, Sears, Roebuck, was supporting these three efforts, by the teamsters, by the unaffiliated council, and by the vote "no" committee, all at the same time. Were you in favor or against that?

Mr. McDERMOTT. It may—no; I can't agree with you. The vote "no" committee didn't spring up until the early part of 1955. I mean, this whole thing went on for a year and a half or 2 years. All through 1954, Jackson was supporting the council. But there was never any mention of a vote "no" committee. I frankly had no knowledge of any effort by the teamsters to do any organizing in the store.

Mr. KENNEDY. The vote "no" committee was in operation when?

Mr. McDERMOTT. I believe in 1955, prior to the election.

Mr. KENNEDY. Early 1955?

Mr. McDERMOTT. Yes.

Mr. KENNEDY. And the support of the council took place during 1955, did it not? Mr. Jackson was supporting—

Mr. McDERMOTT. Jackson, I guess, was still supporting the council.

Mr. KENNEDY. There is no question. He didn't withdraw support of the council until 3 days before the election.

Mr. McDERMOTT. Yes.

Mr. KENNEDY. Certainly the company was supporting the vote "no" committee and the council. Let's keep it at that. Were you for or against that?

Mr. McDERMOTT. I was against any support of the council. I was in favor of only one thing, a "no union" vote.

Mr. KENNEDY. What was the company's position on the question of backing both the vote "no" committee—let me ask you this: You knew that the Labor Relations Associates was backing both the vote "no" committee and the council. Did you protest that, doing both of those?

Mr. McDERMOTT. I don't believe I protested it as such. It was given to me as the strategy that LRA had decided to use in the case, to keep the council alive up to the very end and then try to persuade the people in the council to vote "no."

Mr. KENNEDY. For what reason was the idea on the teamsters brought into this?

Mr. McDERMOTT. I don't know. I really don't. I am a little confused by this testimony that the teamsters were in the store at all.

Mr. KENNEDY. They did organize the warehouse, did they not?

Mr. McDERMOTT. That is right.

Mr. KENNEDY. And there was this effort on two occasions, No. 1, wrecking the car, wrecking the automobile of Donoghue—did you say you knew about that?

Mr. McDERMOTT. That was reported to me afterwards, and I thought it was a disgraceful thing.

Mr. KENNEDY. And then the firing of Mr. Brodey, the firing of Brodey so that the teamsters would get the credit for it.

Mr. McDERMOTT. In the warehouse.

Mr. KENNEDY. So there was this effort to get the teamsters some credit or bring them into the warehouse, was there not?

Mr. McDERMOTT. Yes. They were already—may I explain the situation in the warehouse?

Mr. KENNEDY. Go ahead.

Mr. McDERMOTT. In our Austin warehouse we have two complete operations. We have the warehousing activities, and we also have our central service unit, where we service mechanical merchandise. The men that were in the mechanical service department were members of the old original employees council, and went over. Their sympathies were with the clerks. The balance of the people in the warehouse were represented by the teamsters and had been for many, many years. It was a rather untenable situation. They had what they called the 38th parallel. One group wouldn't let the other walk over the line. It was a very untenable situation. The teamsters were interested in getting the central service employees, inasmuch as they were under the same roof with them.

I don't think they ever had any intention or any interest in getting any of the retail store employees.

Mr. KENNEDY. Why did the company make efforts to help the teamsters?

Mr. McDERMOTT. We were acting under instructions from LRA.

Mr. KENNEDY. Namely who? Who instructed you to help and assist the teamsters?

Mr. McDERMOTT. I believe that in that particular instance the instructions came from Mr. Miller.

Mr. KENNEDY. What was his position?

Mr. McDERMOTT. He was the territorial personnel relations manager.

Mr. KENNEDY. Of Sears, Roebuck Co.?

Mr. McDERMOTT. That is right; resident in Philadelphia.

Mr. KENNEDY. Did you raise any questions about that?

Mr. McDERMOTT. I certainly did.

Mr. KENNEDY. What response did you get?

Mr. McDERMOTT. Mr. Miller said that those were the instructions and that we were told to cooperate.

Mr. KENNEDY. Generally your position is that these things went on, that you were aware of what was going on, either before or immediately after the acts took place, and that you protested but that those protests were not considered; is that right?

Mr. McDERMOTT. I protested as much as I could, yes.

Mr. KENNEDY. You were against the activities that were taking place up in Boston in connection with the drive?

Mr. McDERMOTT. I most certainly was. I didn't feel that our employees needed a union, and I didn't feel that the majority of them were interested in it. We have a fine group of employees in our Boston operation. I didn't feel that they needed any labor organization to come in and represent them.

We were paying higher rates of pay than were being paid by any of our competitors in the community. We had a better benefit program than any of our competitors. The retail clerks were already representing the downtown stores and still had not been able to get for the employees in the downtown stores the wages or the benefits that our people were already enjoying.

Mr. KENNEDY. The Sears, Roebuck store spent \$73,000 to prove this. That is how much money they gave to Labor Relations Associates.

Mr. McDERMOTT. I am well aware of that. I was charged for one half of it right to my operation, and I screamed about it every time I got an audit transfer memorandum.

Mr. KENNEDY. Why didn't the higher officials of Sears, Roebuck, if all of these terrible things were going on, and they were going on over a period of 2 years, costing Sears, Roebuck a large amount of money, why didn't some higher official of Sears, Roebuck take some action in the matter?

Mr. McDERMOTT. I can't answer that, Mr. Kennedy. I don't know.

Mr. KENNEDY. Particularly, I would think that after the hearing in 1953 before the National Labor Relations Board, or the examiner up there, and he brought out some of these facts, I would think instead of continuing and compounding what you had been doing before, Sears, Roebuck would have taken some action to make sure that it didn't got on, instead of doing all of these other things in 1954 and 1955.

Do you have any explanation for that?

Mr. McDERMOTT. No, sir; I do not.

Mr. KENNEDY. Well, I can't argue with that.

Senator McNAMARA. Mr. Chairman?

The CHAIRMAN. As I understand this position, while he occupies a high position locally, he simply carries out orders from the territorial director.

Mr. McDERMOTT. That is correct, Mr. Chairman.

The CHAIRMAN. And that is Mr. Miller. Who is the other one? Mr. Hook?

Mr. McDERMOTT. Mr. Hook prior to that.

The CHAIRMAN. You weren't happy about it. You did protest?

Mr. McDERMOTT. I did.

The CHAIRMAN. But it wasn't within your authority to stop it?

Mr. McDERMOTT. No, sir; it wasn't.

Senator McNAMARA. Mr. Chairman, I would like to ask the witness a question.

You did have to approve, in a measure, when you agreed to pay half of the bills, or have them charged to your account, didn't you?

Mr. McDERMOTT. Those bills, those charges were made to us, Senator, on what we call an audit transfer memorandum at the end of the month. In other words, I never saw the bills. I never saw any

detailed analysis of them. They were sent in to Philadelphia. But I did get a charge for one-half of the amount. The balance was retained in Philadelphia.

Senator McNAMARA. So every month you approved half of the bill.

Mr. McDERMOTT. I protested as loudly as I could, because I couldn't see how LRA was spending that kind of money in Boston.

Senator McNAMARA. There was no need for spending it as far as your operation was concerned?

Mr. McDERMOTT. No, sir; I couldn't see it.

Senator McNAMARA. Thank you, Mr. Chairman.

The CHAIRMAN. Is there anything further?

Thank you very much.

Mr. McDERMOTT. Could I make a statement before I leave?

The CHAIRMAN. Yes, sir.

Mr. McDERMOTT. Of the 29 years that I have been with Sears, I spent 10 of them in the Boston area, 4 years back in the early 1940's as the merchandise manager of those stores, and the last 6 years as the group manager. I think I know those people pretty well. They are a fine group of people. They are, I would say, above the average intelligence in the average store organization.

The CHAIRMAN. If you are talking about people from Boston, I think chief counsel will agree with you.

Mr. McDERMOTT. I don't think they were ever taken in by any of these shenanigans of Shefferman and the LRA people. I think that when we went to them 10 days before that election and I talked to them personally in open meetings, and Mr. Romizer, who is still the manager of the store and who was then, talked to them openly in meetings, Mr. Duffield, our administrative vice president, came down and talked to them.

I think it was the result of just laying the cards on the table, telling them what they had, that swayed them, finally, to vote "no union." I think they realized that they could depend on the administration of the company's personnel principles and policies to be fairly and squarely done by Mr. Romizer. We have today what I consider to be a fine Sears type organization.

The only solace I had in this whole mess over those 2 years was that I knew that ultimately those people couldn't get hurt, no matter which way they voted, because Sears wasn't going to take the basic benefits that were theirs away from, nor were they ever going to pay them any less money than they were getting at that time. I felt very strongly that the people were going to be protected through this whole thing.

The CHAIRMAN. So you felt, actually, the LRA or the Shefferman organization performed no useful or beneficial service for either the company or the employee?

Mr. McDERMOTT. I most certainly do.

The CHAIRMAN. It was detrimental both ways?

Mr. McDERMOTT. That is the way I feel about it.

The CHAIRMAN. That is your view?

Mr. McDERMOTT. That is my view.

The CHAIRMAN. All right. Thank you very much.

Call your next witness.

Mr. KENNEDY. The next witness is Mr. Saville.

The CHAIRMAN. Do you solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. SAVILLE. I do, sir.

**TESTIMONY OF CHARLES C. SAVILLE, ACCOMPANIED BY COUNSEL,
A. M. WOOD**

The CHAIRMAN. State your name, your place of residence, and business or occupation.

Mr. SAVILLE. My name is Charles C. Saville. I live at 5750 North Pennsylvania, Indianapolis, Ind. I am the group manager of the three Indianapolis stores.

The CHAIRMAN. Do you have Mr. Woods as your counsel?

Mr. SAVILLE. I have, sir.

The CHAIRMAN. The record will so show.

Mr. KENNEDY. How long have you been with Sears Roebuck?

Mr. SAVILLE. I am working on my 23d year.

Mr. KENNEDY. When did you go to Indianapolis?

Mr. SAVILLE. In August of 1953.

Mr. KENNEDY. Was there an attempt, shortly after you got down there, to organize by the retail clerks?

Mr. SAVILLE. Yes; there was.

Mr. KENNEDY. When did that start?

Mr. SAVILLE. It had started before I had arrived, and it seemed that it picked up pace shortly after I did come to Indianapolis. It became very furious and very fast shortly after I arrived.

Mr. KENNEDY. Was that in 1955?

Mr. SAVILLE. No; that is 1953 and 1954.

(At this point Senator McClellan left the hearing room.)

Mr. KENNEDY. Was there another drive in 1955?

Mr. SAVILLE. No; the retail clerks' drive was the time following August of 1953. The election was in April of 1954.

Mr. KENNEDY. Are you sure about that? Are you sure it is not April 1955?

Mr. SAVILLE. That is right. I am sorry, sir. That is right. It is 1955.

Mr. KENNEDY. So the drive started in 1954?

Mr. SAVILLE. That is right, 1954.

Mr. KENNEDY. And ended in April of 1955?

Mr. SAVILLE. That is right.

Mr. KENNEDY. While you were there, were the Labor Relations Associates sent in to the operation in Indianapolis?

Mr. SAVILLE. About 6 weeks prior to the election, on April 29, 1955, they were sent to the store.

Mr. KENNEDY. April 29, 1955, is the date of the election; is that right?

Mr. SAVILLE. That is right.

Mr. KENNEDY. So they came down in March of 1955?

Mr. SAVILLE. The first part of March.

Mr. KENNEDY. And what was the purpose of their coming to Indianapolis?

Mr. SAVILLE. I believe they were sent there to feel the pulse of the employees' situation. I had so advised that I felt the group in the group in the store were not in favor of the detail clerks coming in, and I believe they were sent to make a check to see if that feeling was right.

Mr. KENNEDY. Were they to assist the work against the union drive at the store? They formed a vote "no" committee, did they not?

Mr. SAVILLE. Just prior to the election, just a few days ahead of the election, the vote "no" committee was formed. Actually, Mr. Kennedy, I think I told you previously I took exception to their being there. When I heard they were coming, I thought that they might hurt, from an outside interference standpoint. I personally would rather have not had them there.

Mr. KENNEDY. For what reason did you take exception to them?

Mr. SAVILLE. Previously at a board meeting of the retail merchants—I might mention that Mr. Shefferman was on retainer for the retail merchants—I personally formed an opinion in my own mind that I didn't particularly care for the approach that he used in that meeting. Should his men be the same way, I felt it might hurt me.

Mr. KENNEDY. What had he said at the luncheon?

Mr. SAVILLE. It was more or less a résumé of what had been happening around the different sections of the country, and to more or less tell us that we certainly should be careful and that these things could happen to us.

Mr. KENNEDY. What were these things that could happen? That you could be organized?

Mr. SAVILLE. Could be organized, and some of the——

Mr. KENNEDY. Unless you took care. There were successes by unions around the country, and unless you took great care, you too, could be organized?

Mr. SAVILLE. That is right.

Mr. KENNEDY. And the way he put it, you felt you didn't like his approach?

Mr. SAVILLE. That is right, and I would also like to add this, that as the two Shefferman representatives came into our store, they were explicitly told the boundaries by which they should work in the store.

(At this point Senator McClellan returned to the hearing room.)

Mr. KENNEDY. In addition to setting up the vote "no" committee which I understand was set up just a few days prior to the election, they also distributed literature: is that right?

Mr. SAVILLE. Well, I think probably I was told that the desire was to put out the two vote "no" leaflets. I would imagine that the committee was put together for that purpose, Mr. Kennedy.

Actually, the amount of effort that was involved in the committee had little or no bearing on the results of the election. I feel certain of that.

Mr. KENNEDY. It was quite expensive to Sears, Roebuck, nevertheless, wasn't it?

Mr. SAVILLE. Well, yes, it was. The amount of money expended I, too, questioned, as Mr. McDermott did. I did not know what it was until your field representative showed me the résumé of it. As far as the \$326 that is involved in the one expenditure that is on there, I do not know what it was, as I told you previously. I believe it was committee expenses, or so listed.

Mr. KENNEDY. \$330.08, committee expenses.

Mr. SAVILLE. Yes.

Mr. KENNEDY. You don't know what it is?

Mr. SAVILLE. No. Coffee and doughnuts is the only money I know that they spent in the store, sir.

The CHAIRMAN. In those days, that would buy a lot of coffee, too.

Mr. SAVILLE. That is what I know.

The CHAIRMAN. I present you with a photostatic copy of the bill that was submitted. See if you recognize it.

(The document was handed to the witness.)

Mr. SAVILLE. I had not seen this bill previously. I have had no part of paying it. I had no part in making the arrangements on it.

The CHAIRMAN. So you cannot comment on the bill?

(The witness conferred with his counsel.)

Mr. SAVILLE. No, I cannot, sir. I did not have any part of it.

The CHAIRMAN. Thank you.

The bill presented to the witness, which he is unable to identify, may be made exhibit No. 25 for reference.

(The document referred to was marked "Exhibit No. 25" for reference and may be found in the files of the select committee.)

Mr. KENNEDY. It says "fees for services rendered during the month of April 1955, 39 days, \$75 a day, \$2,925." Then "Other expenses," including telephone, transportation, committee expenses, and residence, of \$1,388.96, making a total of \$4,313.96. That was all in connection with this drive by the retail clerks, was it not?

Mr. SAVILLE. Yes, I would imagine so. That is the timing. They were there about 6 weeks, the 2 men.

Mr. KENNEDY. And you say actually they accomplished nothing or did nothing?

Mr. SAVILLE. Mr. Kennedy, I would truthfully say that even though they conducted themselves well in the store, I do not think that their being there had any part in the results of the election.

Mr. KENNEDY. I think you will agree that is quite a large sum of money to be paid for doing nothing, really.

Mr. SAVILLE. Yes, it is. It might be of interest, Mr. Kennedy, that the clerks probably spent many many times that amount. It would be interesting if this committee could get that same actual dollar figure that they spent. They really worked us over.

Mr. KENNEDY. We have been looking into some labor unions.

Mr. SAVILLE. We wore out several crews, sir.

Mr. KENNEDY. That is all.

Mr. SAVILLE. Might I add, too, as Mr. McDermott did, if you will permit me to do so, that I have the same type of people at Indianapolis that he has in his store there. I wouldn't hoodwink my people into the sort of thing that a few people wanted to do in this election. They are a different type of people.

The CHAIRMAN. I don't believe there is anyone on the committee from Indianapolis, but I will thank you on behalf of the people of Indianapolis.

Mr. KENNEDY. Mr. W. W. Tudor.

**TESTIMONY OF WALLACE TUDOR, ACCOMPANIED BY COUNSEL,
A. M. WOOD—Resumed**

The CHAIRMAN. Mr. Tudor, you have been previously sworn.

Mr. TUDOR. May I thank Mr. Saville? I am from Indianapolis.

The CHAIRMAN. All right.

You have been previously sworn?

Mr. TUDOR. Yes; I have.

The CHAIRMAN. Let the record show that Mr. Wood appears as his counsel.

The committee will take a 5-minute recess at this point.

(A short recess was taken.)

(Committee members present at time of recess: Senators McClellan, Goldwater, and McNamara.)

(Members of the select committee present at the convening of the session were Senators McClellan, McNamara, and Goldwater.)

The CHAIRMAN. Let us have order, please. We will proceed.

Mr. KENNEDY. Mr. Chairman, I might just say that Mr. John Lind's name has come into this hearing a number of times and he has been interviewed by our investigator and he was subpoenaed to testify before the committee. He is ill and he is now in a hospital and unable to come to testify. That is why he has not been heard.

The CHAIRMAN. All right. Let the record show that because of illness he is not here.

Mr. KENNEDY. He refused to give an affidavit.

The CHAIRMAN. He can be called later if needed.

Mr. KENNEDY. Mr. Tudor, I just had one question on your statement here in the appendix. I was wondering about the Sears retail average hourly earnings of \$1.93 an hour. That figure is correct, is it?

Mr. TUDOR. That figure is correct.

Mr. KENNEDY. How is that made up?

Mr. TUDOR. Last December we made a national survey, and the rates of pay being paid to our employees throughout the entire country was placed on IBM cards.

Mr. KENNEDY. Is that including bonuses?

Mr. TUDOR. No.

Mr. KENNEDY. That is just the hourly rate?

Mr. TUDOR. That is right.

Mr. KENNEDY. For your clerks?

Mr. TUDOR. That is right. That is all people in retail and not just the clerks.

Mr. KENNEDY. This is all employees?

Mr. TUDOR. All hourly rated employees in retail stores, all hourly rated people in our retail stores.

Mr. KENNEDY. Would that be management people?

Mr. TUDOR. No; because they are not hourly rated. It would be sales people and it would be people working in nonselling activities, and it would be individuals working in the warehouses and so forth. But no one that is on a regular flat-salary basis, it would be just hourly rated people.

Mr. KENNEDY. And was the same criteria used for the national retail and the national manufacturers?

Mr. TUDOR. It is my understanding that it was, yes, sir.

Mr. KENNEDY. Could we get a copy of that report?

Mr. TUDOR. From us, you mean?

Mr. KENNEDY. Yes; the report that was made as a basis for this.

Mr. TUDOR. We would be glad to give it to you.

The CHAIRMAN. That can be supplied then, as I understand it?

Mr. TUDOR. Yes; and now I think we should be more specific as to what you would like to have. You would like a copy of the information that we gave to the Bureau of Labor Statistics on our rates of pay in our retail stores?

Mr. KENNEDY. No; I want the study that you said you made to arrive at these figures.

Mr. TUDOR. Well, the study, it would take a truck to bring it in, but the summary you have here. We could give you a copy of the report that we sent to the National Bureau of Statistics.

Mr. KENNEDY. You must have some report that was made up from that study, isn't that right? You have some kind of report.

Mr. TUDOR. Yes, sir.

Mr. KENNEDY. Could I have a copy of that?

Mr. TUDOR. Certainly, we will forward it to you.

The CHAIRMAN. The witness agrees to supply the report, then?

Mr. KENNEDY. Mr. Shefferman has been used by Sears, Roebuck stores for how long?

Mr. TUDOR. He was employed in 1935 and he was on our payroll to 1948, at which time he was retired and then placed on a retainer basis.

However, he has not been used by our company since April 30, 1956, the day I replaced Mr. Caldwell.

Mr. KENNEDY. You paid him since that time.

Mr. TUDOR. We have paid him and we continued his retainer, yes.

Mr. KENNEDY. There wasn't any contract on his retainer, was there?

Mr. TUDOR. We looked at the relationship with Mr. Shefferman on an annual basis, but there was no contract; no.

Mr. KENNEDY. You continued to pay him month by month?

Mr. TUDOR. Yes, sir.

Mr. KENNEDY. Up until 1957, did you not?

Mr. TUDOR. Yes.

Mr. KENNEDY. Now, Labor Relations Associates was established by Mr. Shefferman back in 1939 and 1940.

Mr. TUDOR. My understanding is 1939.

Mr. KENNEDY. Sears, Roebuck gave the first retainer to Labor Relations Associates?

Mr. TUDOR. One of the gentlemen testified earlier this week or possibly last week, testified that the company advanced \$10,000 and that I was not aware of until I heard the testimony.

Mr. KENNEDY. According to his testimony, as I understand it, that was for the purpose of, initially at least, although Mr. Shefferman was welcome to get other clients, it was to assist your outlets and the suppliers of Sears in any of their labor problems, is that right?

Mr. TUDOR. That is not my understanding, Mr. Kennedy. You know from the records that Labor Relations Associates have been retained and used by some of our suppliers, but I do not have the understanding that that was the purpose of it.

Mr. KENNEDY. Were you here for the testimony of Mr. Curry?

Mr. TUDOR. Yes, I was.

Mr. KENNEDY. Did you get that impression from him, that that was the original reason?

Mr. TUDOR. I got the impression that was the reason, from his testimony but I do not have knowledge of that myself.

Mr. KENNEDY. Approximately how many of Mr. Shefferman's clients are suppliers of Sears, Roebuck, do you know?

Mr. TUDOR. I know only because of having seen the record of Mr. Shefferman's clients, and I think that we were asked to go through that and if I remember correctly, it was 22, am I correct? May I check on that?

It was approximately 22; that figure sticks in my mind.

Mr. KENNEDY. That is not including your branch stores?

Mr. TUDOR. No, it is not including our branch stores.

Mr. KENNEDY. There are 8 branch stores that retained him.

Mr. TUDOR. I don't recall that there are 8. But it was less than 10 and that I will say. The figure of 5 sticks in my mind, but I am not certain on that.

Mr. KENNEDY. We have payments here to 16 different branch stores, but—

Mr. TUDOR. If I may, these payments were to associations. If you are referring to Houston, and Detroit, and Buffalo, and St. Louis, and Indianapolis, Oklahoma City—those payments were to an association or retailer associations that we belonged to, that retained Mr. Shefferman's services.

Mr. KENNEDY. Well, according to this summary that you furnished to the committee, there are 30 altogether that either are just suppliers or subsidiaries or Sears stores.

Mr. TUDOR. That is not far off.

The CHAIRMAN. You said 22.

Mr. TUDOR. That sticks in my mind.

The CHAIRMAN. And the other 8 would make the 30, if that is correct. You said it was less than 10. I guess that is about right.

Mr. KENNEDY. Now, was the type of service that Mr. Shefferman was offering during this period of time, was that to prevent unionization?

Mr. TUDOR. No, it was not to prevent unionization. Mr. Shefferman's services when he was on our payroll from 1935 to 1948 was to actually handle organizing drives and negotiations. Since that time he was on a retainer with the company and was active more or less up until I took office.

His purpose at that time, as I understand it, was not to prevent unionization, but to handle in a few instances, actual organizing drives and in the early part of his retirement and retainer, it was to actually negotiate I think in three different instances.

The CHAIRMAN. Mr. Tudor, to handle an organizing drive—was that to handle it to make it successful or to prevent its success?

Mr. TUDOR. Mr. Chairman, I would be less than honest if I were to say to you that we would prefer to operate our business without a union. However, whatever Shefferman was to do we wanted it done correctly.

The CHAIRMAN. I do not question that and I am not necessarily disagreeing with you, but the point I am making is that you said he was not hired to prevent unionization. You said he was hired to work in organizational drives.

Well, either an organizational drive is to get a plant unionized, as I understand it, and if he is working in organizational drives, I would assume that he was working either on one side or the other, to try to make the drive successful or to try to prevent it from being successful.

Mr. TUDOR. Certainly he was working on management's side, or at least I would hope to believe that he was. Then it was to prevent unionization, if that is the answer to the question.

The CHAIRMAN. All right.

Mr. KENNEDY. Almost 100 percent of his time was devoted to dealing with labor unions or in connection with labor unions, was it not?

Mr. TUDOR. That is correct.

Mr. KENNEDY. No, you said, I believe the last time you testified, that some 7 percent of your employees are organized.

Mr. TUDOR. I have looked up the figure since I testified, and our best figure is 8 percent against the national average of 7.8 percent.

Mr. KENNEDY. What percentage of that 8 percent are teamsters?

Mr. TUDOR. May I talk to counsel here just a moment?

(The witness conferred with his counsel.)

Mr. TUDOR. As I testified the other day, Mr. Kennedy, I don't have the exact figures. I can give you this information. Out of the 200 agreements that we currently have, and that is an approximate figure, 85 of those are teamsters.

The CHAIRMAN. What is the figure?

Mr. TUDOR. 85 out of the 200 agreements that we currently have are teamsters.

Mr. KENNEDY. How many employees of the 160,000 you have—

Mr. TUDOR. 205,000 employees.

Mr. KENNEDY. How many employees are organized out of the 205,000?

Mr. TUDOR. Approximately 14,000.

Mr. KENNEDY. How many of those are teamsters?

Mr. TUDOR. I have been told here by my associates, a little over 50 percent.

Mr. KENNEDY. About 7,000?

Mr. TUDOR. Yes, sir.

Mr. KENNEDY. Now, was Mr. Shefferman brought in to conduct or handle any of the negotiations for Sears, Roebuck with labor unions?

Mr. TUDOR. Now, prior to 1948, it is my understanding that he handled all of the negotiations. Since that time he has handled very, very few. Since 1953, and may I correct this again, he has handled none since 1953.

There have been no negotiations.

(Committee members present at this point: Senators McClellan, McNamara, and Goldwater.)

The CHAIRMAN. When you said handled none, you mean he carried on negotiations with labor organizations for you?

Mr. TUDOR. That is correct. Nor none of his associates; Shefferman or his associates.

Mr. KENNEDY. Was he brought into the picture when there was a drive by a labor union to attempt to organize?

Mr. TUDOR. He was brought in occasionally. I believe I had that in my opening statement. Since 1953, he has been brought in on how many situations?

Just a moment, please, if I may converse with counsel.

(The witness conferred with his counsel.)

Mr. TUDOR. Of the 187 drives that we have had since 1953, LRA worked in 11 of the 187. Those were Boston, Pittsburgh, Trenton, Parkersburg, W. Va., Wilmington, Saginaw, Indianapolis, New York, Port Arthur, Casper, and Oklahoma City.

Mr. KENNEDY. He was brought in on those 11?

Mr. TUDOR. That is correct.

Mr. KENNEDY. Were you aware, and was the company aware during this period of time, of his close relationship with Mr. Dave Beck and other teamster officials?

Mr. TUDOR. Yes, I think the company was very aware that he had close relationships with Mr. Beck.

Mr. KENNEDY. Was the company prepared to pay the bills or expenses of any of the entertainment or relationship that might cost money with these union officials?

Mr. TUDOR. The company did pay for telephone calls and for entertainment for Mr. Sherman to entertain some of the union officials.

Mr. KENNEDY. I would like to give you some instances of some of those and get an explanation.

Mr. Chairman, could Mr. Salinger read off some of these things that we have found in our investigation?

The CHAIRMAN. Read them off as a point of information for the witness and then interrogate the witness about them.

Mr. SALINGER. This is information taken from the daily reports of Shefferman. As an example, February 2, 1956, shows Sears, Roebuck & Co., Miami, Fla., entertainment of Beck and Tobin at dinner, Maxim's, \$23.75.

February 3, 1956, Sears, Roebuck & Co., deep-sea fishing, boat \$65, food, \$18, tip \$10; total of \$93.

February 4, guest expense, Tobin and Wall, party at races, \$19.

February 5, 1956, Sears, Roebuck & Co., guest expense, Tobin and party, \$14.25.

This is in 1953.

Charged to Sears, Roebuck & Co., parent, attending Central States meeting, entertainment, union officials, dinner Phil Smith, Dave Beck, F. Tobin, Ritter, Mohn, \$63.25.

The next day, lunch, Lehaney, Yarmola, \$18.35.

The next day, Wampold, Kaplan, Lee Haney, et cetera, Carona's, \$47.

Dinner for union officials, Riverside, \$37.75.

All these are charged to Sears, Roebuck & Co.

The CHAIRMAN. May I ask the witness if these expenditures were authorized, and was Mr. Shefferman reimbursed for them when made?

Mr. TUDOR. Mr. Caldwell, my predecessor, approved these bills. I did not approve them. It may have been on 3 or 4 instances when Mr. Caldwell was out of town that a bill had to be approved. If I put my name on it, it was merely perfunctory, because I had no knowledge of what was going on.

The CHAIRMAN. Mr. Tudor, would you regard these expenditures as expenditures in the nature of public-relations accounts between management and labor organizations?

Mr. TUDOR. Mr. Chairman, you are asking for my personal opinion here?

The CHAIRMAN. Well, yours, or how did the company regard them.

Mr. TUDOR. Well, Mr. Caldwell thought it was important that he, personally, be kept informed as to what was going on in the minds of some of our labor people. At the same time, I know that Mr. Caldwell thought it was important that some of the labor people know what Sears stood for. Shefferman was the instrument with which that information was transmitted.

The CHAIRMAN. I am not at the moment criticizing you.

Mr. TUDOR. I understand.

The CHAIRMAN. I am just trying to evaluate it in my own mind. Would this be regarded as a legitimate public-relations expense, or is there some implied, improper practice in such expenditures? I am just trying to evaluate it.

Mr. TUDOR. I don't think it is necessarily improper. On the other hand, I think that it can only raise the questions in the minds of people. If it was done for the intent of getting a better "deal," and I use that word in quotes, then it was definitely improper. But I sincerely do not think it was for that purpose.

The CHAIRMAN. Well, it does raise questions. We encounter these expenditures both on the side of management and on the side of labor. It makes some of us think sometimes that we are in the wrong business.

Mr. TUDOR. It can only be interpreted as a conflict of interest.

Mr. KENNEDY. I think if you look these bills over, you see that they go on day after day after day; is that right?

Mr. TUDOR. Mr. Kennedy, I did look these bills over.

Mr. KENNEDY. You what?

Mr. TUDOR. I did look them over. Yes, they go on and on and on.

Mr. KENNEDY. I think the ones we took are fair examples as to what exist, and those are the records there.

Mr. TUDOR. Those are very fair examples. But I certainly didn't know about the details of those at the time.

Mr. KENNEDY. Do you know that Sears, Roebuck paid for Mr. Shefferman to take Mr. Dave Beck and his party to Dan Tobin's funeral?

Mr. TUDOR. I heard that for the first time, I think, when the question was asked of Mr. Salinger. No, I did not know it, and I don't know it now. But if we did, and I don't doubt but what we did, I just think it is ridiculous. It is very, very embarrassing.

Mr. KENNEDY. Was that a public-relations expense?

Mr. TUDOR. Mr. Shefferman and Mr. Caldwell have to answer that. I think it is poor public relations.

Mr. KENNEDY. It cost \$78.75. Have you seen this?

Mr. TUDOR. No, I have not.

The CHAIRMAN. Since it has been referred to, I think the witness should have an opportunity to see a photostatic copy of the bill. (Document handed to witness, who conferred with his counsel.)

Mr. TUDOR. We have never received this kind of bill. We were just billed flat. Mr. Salinger has them in his hands. It was so much entertainment—well, the possibilities are to Mr. Tobin's funeral was entertainment.

The CHAIRMAN. That bill may be made exhibit No. 26 for reference.

(The document referred to was marked "Exhibit No. 26" for reference, and will be found in the appendix on pp. 6235-6236.)

Mr. KENNEDY. And \$17.75 on top of that for attending Mr. Tobin's—

The CHAIRMAN. Is that salary?

Mr. KENNEDY. No; it was expense while he was there; \$2 for baggage tip, \$1.25 for breakfast—well, it makes a total of \$17.75. The explanation is attending Tobin's funeral. I think that charge was for bringing Dave Beck and his party to the funeral, and this was while he was there, or part of it.

Mr. TUDOR. Mr. Kennedy, those are not bills that were submitted to our company.

Mr. KENNEDY. These are the daily reports.

Mr. TUDOR. It must be the detail Mr. Shefferman kept in his file.

The CHAIRMAN. I am wondering now if Mr. Beck and the others also billed their unions for that trip.

Mr. TUDOR. I wouldn't doubt it.

Mr. KENNEDY. Here are some other samples, Mr. Chairman.

The CHAIRMAN. This appears to be a photostatic copy of a bill submitted to Sears, Roebuck & Co. from Labor Relations Associates. You might examine that, Mr. Tudor, and see if you can identify it.

(The document was handed to the witness.)

(The witness conferred with his counsel.)

The CHAIRMAN. The second bill may be made exhibit No. 27.

(The document referred to was marked "Exhibit No. 27" for reference, and will be found in the appendix on pp. 6237-6238.)

Mr. TUDOR. I cannot identify this. I approved it, and I think that the records show that I may have approved as many as 3 or 4 or 5 in Mr. Caldwell's absence. But I have no knowledge of whether these telephone calls were made or whether they were legitimate charges.

The CHAIRMAN. You have no personal knowledge as to whether they were made. You do recognize that your company paid the bill?

Mr. TUDOR. Yes; we paid the bill, without question.

The CHAIRMAN. That bill, I believe, is out of your files.

Mr. TUDOR. Pardon?

The CHAIRMAN. That bill was taken from your company files.

Mr. TUDOR. Yes; that is correct.

The CHAIRMAN. It may be made exhibit No. 28.

(The document referred to was marked "Exhibit No. 28" for reference, and will be found in the appendix on pp. 6239-6248.)

Mr. KENNEDY. I notice from here that he was making telephone calls to union officials. There must have been 3, 4, or 5 telephone calls, every day, to union officials; were there not?

Mr. TUDOR. Yes; I noticed that on the bills.

Mr. KENNEDY. And the calls to Mr. Dave Beck. I would think, almost averaged one a day in 1953 that Sears, Roebuck paid for.

Mr. TUDOR. It just doesn't seem reasonable to me that Mr. Shefferman could have made those telephone calls in behalf of Sears, Roebuck & Co. It must have been the wholesale business that he was in, or making some plans to go fishing, or to Mr. Tobin's funeral. We don't deny but what our company paid those bills.

Mr. KENNEDY. For instance, in 1953 alone, Sears, Roebuck paid, for telephone calls to Dave Beck himself, \$455.29. In 1954, \$395.18. Just telephone calls to Dave Beck. Then \$109 in 1953 for telephone calls to Brennan, Sidney Brennan, vice president of the teamsters.

The CHAIRMAN. Do you know, Mr. Tudor, Mr. Beck had some kind of arrangements with Mr. Shefferman where he purchased some \$85,000 worth of goods wholesale? I am just wondering if some of these telephone calls were primarily in accommodation of Mr. Beck, and you were footing the bill.

Mr. TUDOR. Mr. Chairman, I think your observation or assumption here is correct.

The CHAIRMAN. I am also caused to wonder now if, possibly, Mr. Shefferman submitted a bill to all of his clients, each one of them, for attending the funeral.

Mr. TUDOR. If you find that to be true, I would like to know it.

Mr. KENNEDY. Then, in 1953, \$66 in telephone calls to John English; \$139 to Mr. Mulenholtz. This is not something that just started in 1952 or 1953, is it, Mr. Tudor, but it is something that has been going on by Mr. Shefferman for the last 15 years. This isn't something that is brandnew. It is something that Sears, Roebuck has been paying for for a period of 15 or 17 years, at least.

Mr. TUDOR. We have records, as I recall, back to and including 1953, but not beyond that. It would be my judgment that the same thing went on; yes, sir, Mr. Kennedy.

Mr. KENNEDY. And there were purchases being made for Mr. Tobin and other union officials since at least 1939, have there not been?

Mr. TUDOR. I would imagine that is true.

Mr. KENNEDY. You worked under Mr. Caldwell. You knew that these things were going on during this period of time?

Mr. TUDOR. But Mr. Shefferman did not report to Mr. Caldwell in 1948. He reported to Mr. Carney, who is deceased.

Mr. KENNEDY. You know, from personal knowledge, only from 1948 on?

Mr. TUDOR. I don't know, from personal knowledge, from 1948. But it would be my assumption that that did go on, Mr. Kennedy, but I cannot state it as a fact.

Mr. KENNEDY. What is the explanation for Sears, Roebuck giving these services, paying these bills, for all these union officials for the last 16 or 17 years?

Mr. TUDOR. Well, I can only tell you what I think was in the minds of the individuals who approved these bills over a period of years, and that is, (1) that Mr. Shefferman convinced those involved that it was important that he kept himself informed as to what is going on in the labor movement, and, at the same time, I am certain that we thought that it was important that the top union officials know what Sears stands for so that they would know about the rates of pay in our company, our benefit program, and that we will not turn over our employees to any union without an election under the auspices of the National Labor Relations Board.

The CHAIRMAN. Mr. Tudor, it seems that the relationship here, and I don't know to what extent it will be established or has been established, may be as to other labor organizations. Would there, also, have been the idea present that, by ingratiating yourself into the friendship of the teamsters union and the high officials, if you had a strike they wouldn't lend their support to the other unions?

Mr. TUDOR. I think I can answer that question this way: Since 1953, we have had 187 organizing drives in our company. In 101 of

these they were teamsters. Of this 187 we had what we called 44 major drives and 22 of those were teamsters. The teamsters haven't laid off Sears, of that I assure you, because of any relationship that Shefferman has had with them.

I know of no instance where we have had an organizing drive, or a picket line, with the retail clerks or any other union, where the teamsters have crossed that line. I know of no instance.

The CHAIRMAN. I don't know whether you got value received or not. Your company spent over \$200,000—I have forgotten the exact amount though you may have the figure in mind—to the Shefferman firm and associates during these years. You say you got no benefit. That is practically what you said now, that you got no benefit from it from the standpoint of labor relations with labor unions.

Do you feel you did get value received for that expenditure, or that the company did?

Mr. TUDOR. From Mr. Shefferman?

The CHAIRMAN. Yes.

Mr. TUDOR. In fairness to Mr. Shefferman, I think we got some value received. Mr. Shefferman was forever talking about the importance of high rates of pay, of good benefits, of good physical working conditions, and about the importance of talking to our people, being close to our people.

So on that count, I think that Mr. Shefferman did make a contribution. But as to the contribution he made in actually handling some of these drives, and particularly Boston—well, I think the record speaks for itself.

The CHAIRMAN. The contribution was reversed.

Mr. TUDOR. I think the record is abundantly clear that your statement is correct.

Mr. KENNEDY. What was being done during this period of time, there wasn't any question but what Mr. Shefferman was selling primarily was to avoid unionization. As Mr. Saville testified today, that is the speech he made in Indianapolis, that unless people were careful, they were going to get organized. That is what he has been selling all this period of time.

Sears, Roebuck paid him large sums of money to achieve this purpose, and to remain friendly, or at least pay the expenses of remaining friendly with important union officials in the teamsters.

We can say it is public relations, but I still haven't gotten an explanation as to why this was necessary or as to why this procedure and these steps were followed by Sears, Roebuck if it wasn't to try, through this method of remaining friendly, to avoid unionization, and to keep out, as a second thing, and to prevent other unions from attempting to organize Sears, Roebuck.

Mr. TUDOR. Mr. Kennedy, I will not attempt to defend, I cannot defend, the amount of money that has been paid Shefferman and Labor Relations Associates over a period of years. It sounds like substantial sums, and it is. Yet our company spends approximately \$6 million a year in our own employee relations, personnel relations, programs, and that matched against the money that we have paid to Shefferman over a period of years—well, Shefferman's amount seems to be a rather insignificant amount. I might tell you how we handle our employee relations in our campaigns today under Taft-Hartley.

MR. KENNEDY. Well, I think you made a long statement, which was very interesting, about that. It just occurs to me that you have seen the light awfully late, 1955 or 1956.

No. 1, this was after the Internal Revenue Department started an investigation of Dave Beck. They were making investigations regarding these purchases that were made by Shefferman through your company. Although Mr. Shefferman hadn't appeared before this committee, certainly there had been some question raised about Mr. Shefferman. It wasn't until then, some 15 or 16 years later, that Sears, Roebuck suddenly wakes up to the fact that what they were doing in some of these stores wasn't exactly kosher. You brought in in 1953 this activity took place in Boston, and in 1954 and 1955 you started all over again in Boston. You were doing the same thing in Boston.

MR. TUDOR. Mr. Kennedy, if I understand your statement correctly—

MR. KENNEDY. We can take it by parts.

MR. TUDOR. I will take one part I am particularly interested in. Since April 30, 1956, Mr. Shefferman's services have not been used. That was before, long before, if I recall correctly even before this committee was established.

MR. KENNEDY. Long before this committee was established, but I think you will find that it was after the Internal Revenue Department came to Sears, Roebuck to find out about the connection of Sears, Roebuck with Mr. Shefferman.

MR. TUDOR. Mr. Kennedy, I took the position on Labor Relations Associates before I had any knowledge that the Internal Revenue Department came to Sears to ask about the Beck-Shefferman relationship in the merchandizing cost.

MR. KENNEDY. When did the Internal Revenue Department come to Sears, Roebuck?

MR. TUDOR. In 1955. It was in 1955.

MR. KENNEDY. I am glad to hear that you took the action independently. But it was at least a year prior to the time that you did take the action that the Internal Revenue Department came to you and started the investigation of the relationship that existed.

This, again, is some 15 or 16 years after Mr. Shefferman had been involved in these activities. His reputation is well known as to what he was selling, that he was selling these kinds of services of keeping people from being unionized, and that this is the service he was to perform, and you were paying sums of money to him, and paying sums of money to him for the entertainment of union officials, and as important a union as the Teamsters.

MR. TUDOR. I will express myself on this subject. I wasn't involved in it. Hindsight always has 20/20 vision. Mr. Caldwell, my predecessor, it is clear, relied on Mr. Shefferman. While I am most reluctant to say this, I worked with him for so many years, and he is an ill man today—he made a very valuable contribution to this company—I am talking about Mr. Caldwell over a period of many years, and I wouldn't hurt him for anything—I must say that it is evident that Mr. Caldwell gave Mr. Shefferman too much latitude and relied too much on his judgment and suggestions.

MR. KENNEDY. Is this all Mr. Caldwell's fault, then?

Mr. TUDOR. No, sir. Mr. Shefferman reported to Caldwell only since 1948. What went on before 1948—

Mr. KENNEDY. Since 1948; is it all Mr. Caldwell's fault?

Mr. TUDOR. Well, Mr. Caldwell and Mr. Shefferman will have to assume their fair share of the responsibility for the situation which we find ourselves in today.

Mr. KENNEDY. Just again, as an example, in 1953 according to Mr. McDermott, he was making protests about what you were doing, or what was being done up there; he made the protest to the parent company and yet in 1955 the same company was being used and brought back in there and continued the same procedure, except worse. If this is all Mr. Caldwell's fault, and Mr. Caldwell is too sick to talk to us, I can't do too much about that.

Mr. TUDOR. I know that Mr. McDermott did protest.

Mr. KENNEDY. I can't understand why somebody at the top of Sears didn't do something about it.

Mr. TUDOR. An officer of the company, in Sears, as large as it is, has great latitude and great authority. It rested in Mr. Caldwell's hands. However, I am not convinced at all, in fact, I am certain that Mr. Caldwell was not aware of much of the intrigue that was going on in Boston. Boston was not typical of the way employee relations have been handled in this company.

Mr. KENNEDY. We have a letter here from a C. D. Preston, department 76. Who was he?

Mr. TUDOR. Mr. Preston is seated behind me. He is assistant to my counsel.

Mr. KENNEDY. It is to Mr. Caldwell. In the last paragraph on the Boston situation, it talks about—

The council has no members at either Waltham or Quincy and the council is inactive at both places. I do not see any harm in allowing the Waltham and Quincy contracts to automatically renew. If an organization campaign should start at either place, the contracts may be helpful.

This isn't Mr. Shefferman. This isn't Mr. Caldwell. This is someone from one of your own departments who is suggesting renewing a contract with a union which you know has no members, because of the fact that it will be helpful in case of an organizational drive by a legitimate union coming along. It appears to me that this was not just Mr. Caldwell and Mr. Shefferman, but it was the philosophy of the whole store. Am I wrong?

Mr. TUDOR. You are definitely wrong, Mr. Kennedy.

Mr. KENNEDY. Have you any explanation for Mr. Preston?

Mr. TUDOR. I cannot speak for Mr. Preston. Mr. Preston was working with Mr. Caldwell at that time, not reporting to him. Mr. Caldwell was the one—

Mr. KENNEDY. Mr. Chairman, we have all these bills here, some of which we put in as examples. Can we have them made an exhibit for reference so we can use them?

The CHAIRMAN. Who obtained them for the staff?

Mr. KENNEDY. Mr. Salinger.

TESTIMONY OF PIERRE SALINGER—Resumed

The CHAIRMAN. Mr. Salinger, are these the bills you obtained from the files of the Sears, Roebuck regarding the Shefferman account?

Mr. SALINGER. I did, sir. They were turned over to me by Sears, Roebuck & Co.

The CHAIRMAN. They may be made exhibit 29, for reference.

(The various documents referred were marked "Exhibit No. 29" for reference and may be found in the files of the select committee.)

The CHAIRMAN. What are these documents I hold in my hand here?

Mr. SALINGER. Those documents, Senator, are the daily reports of Nathan and Shelton Shefferman for the years 1953, 1954, 1955, and 1956. They were taken from the files of the Labor Relations Associates in Chicago.

The CHAIRMAN. They may be made exhibit No. 30 for reference.

(The documents referred to were marked "Exhibit No. 30" for reference and may be found in the files of the select committee.)

The CHAIRMAN. Is there anything further?

Mr. KENNEDY. That is all.

TESTIMONY OF WALLACE TUDOR, ACCOMPANIED BY HIS COUNSEL, A. M. WOOD—Resumed

Senator McNAMARA. I would like to ask you a few questions. You mentioned that in Detroit, St. Louis, Oklahoma City, and some other cities, the retail associations in these areas employed Shefferman and he was not employed in some of these instances, at least, by Sears, Roebuck. Is that correct?

Mr. TUDOR. That is correct. The retailers had an association and they retained Mr. Shefferman. We made a nominal contribution to the association. In Buffalo, for example, I think it was \$30 a month, or something like that.

Senator McNAMARA. As members?

Mr. TUDOR. Yes.

Senator McNAMARA. Is it the policy of Sears, Roebuck & Co. to become affiliated with retailer associations in the areas that they operate in?

Mr. TUDOR. Yes, it is; but not for the purpose of negotiating, having the retailers as a group negotiate. Yes, it is, very definitely.

Senator McNAMARA. The general policy is to associate with retail associations, where they exist in various cities, States, and at the national level, too, I suppose.

Mr. TUDOR. That is correct.

Senator McNAMARA. Do you represent the company at the national level of the National Retailers Association?

Mr. TUDOR. I beg your pardon?

Senator McNAMARA. Do you personally represent Sears, Roebuck at the National Retailers Association level?

Mr. TUDOR. Yes, I am a member of it.

Senator McNAMARA. Does the National Retailers Association have a code of ethics?

Mr. TUDOR. That I can't answer, Senator. I would imagine so.

Senator McNAMARA. I would imagine so, too. Since there is considerable discussion and emphasis these days on the code of ethics that the labor organizations have adopted, would you personally be in favor of the National Retailers Association adopting as part of their code of ethics a provision that anyone who appears before a duly con-

stituted congressional committee who takes the fifth amendment should be thrown out of the association?

Mr. TUDOR. Well, yes; I think so, Senator. Very definitely.

Senator McNAMARA. I agree with you. I am going to ask you a question that is probably none of the committee's business and perhaps serves no legislative purpose. You are certainly free to decline to answer. What is the annual retail volume of Sears, Roebuck Co., approximately?

Mr. TUDOR. I would be delighted to give you that figure. May I give the total?

Senator McNAMARA. Yes.

Mr. TUDOR. In 1956 it was \$3,555,684,000. That is net sales, mail order and retail.

Senator McNAMARA. \$9 million a day, approximately, in round numbers?

Mr. TUDOR. I think that is about right.

Senator McNAMARA. That doesn't make the figures we have been kicking around here seem so tremendous as they appeared to me prior to the \$9-million-a-day business. I am not saying that in any manner to indicate that I approve of even small expenditures if they are improper. You can be sure of that.

That is all, thank you.

The CHAIRMAN. Senator Goldwater?

Senator GOLDWATER. Mr. Tudor, how long have you been in the labor-relations end of the business?

Mr. TUDOR. Since April 30, 1956. Prior to that time I was strictly in the personnel end of the business, since 1941.

Senator GOLDWATER. Were you in it in the days of the Wagner Act?

Mr. TUDOR. I was not involved in labor-relations activities during the Wagner Act; no, sir.

Senator GOLDWATER. My question, then, wouldn't have too much bearing. I did want to bring out the fact that under the Wagner Act, and I am not defending either Sears or Shefferman, the Labor Board was constantly trying to limit freedom of speech, and it was practically impossible for an employer to talk to an employee about unions, the desirability or undesirability of belonging to them. I have long felt that because a Congress was, in my own words, foolish enough to write the Wagner Act the way it was, that they actually encouraged the development of men like Shefferman, who is not the only one in this business. It reached the point, as you probably recall, that the Board would throw out any election that didn't go in favor of the union, in which the owner or the labor-relations part of the business talked in any way to employees.

With the coming of the Taft-Hartley Act in 1947, that discrepancy was removed. Even to this day, they are continuing to attack the free-speech clause.

Mr. Chairman, my purpose in mentioning that here is so that when we are studying the testimony, we can remember the experiences of a very ill-advised section of a former Labor Act which I think contributed more to this type of thing than any other cause.

Mr. TUDOR. I certainly agree with you, sir.

The CHAIRMAN. All right. Thank you, Mr. Tudor.

Call the next witness.

Mr. KENNEDY. Mr. Joseph M. Dillon, please come forward.

The CHAIRMAN. You do solemnly swear the evidence you shall give before this Senate select committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. DILLON. I do.

TESTIMONY OF JOSEPH M. DILLON

The CHAIRMAN. Mr. Dillon, state your name, your place of residence, and your business or occupation.

Mr. DILLON. My name is Joseph M. Dillon, my address is 775 Arbor Road, Menlo Park, Calif. My position is director of the warehouse division of the Western Conference of Teamsters.

The CHAIRMAN. You waive counsel; do you?

Mr. DILLON. I do.

The CHAIRMAN. All right, Mr. Kennedy.

Mr. KENNEDY. You have been a teamster for how long, Mr. Dillon?

Mr. DILLON. I have been a teamster official for 10 years.

Mr. KENNEDY. Official? And how long have you been a member of the union?

Mr. DILLON. Ten years.

Mr. KENNEDY. In 1951 were you a teamster official? Did you hold a position with the teamsters?

Mr. DILLON. I did.

Mr. KENNEDY. What position?

Mr. DILLON. Secretary of Local 12, Warehouse Union, San Francisco.

Mr. KENNEDY. In that connection, were you planning to organize the Englander Co.?

Mr. DILLON. We were.

Mr. KENNEDY. And that occurred sometime in the middle of 1951? Englander had just opened up a new plant; had they?

Mr. DILLON. Out in San Leandro, in the Oakland area.

Mr. KENNEDY. Would you tell us how it came about that you tried to organize them?

Mr. DILLON. I was instructed by one of my superiors to assist in a picket line in connection with the upholsterers union, whereby after the plant was organized they were to take the production workers and we were to take the warehousemen and shipping clerks.

Mr. KENNEDY. Would you speak up a little bit? They were to take who or what?

Mr. DILLON. They were to take the production workers and we were to take the shipping clerks and the warehousemen.

Mr. KENNEDY. Did the Englander Co. have any employees at the time?

Mr. DILLON. I thought at first when I talked to Mr. Salinger that they did not. But I have since checked my office and I find out that they did have 4 or 5 people in the plant at the time.

Mr. KENNEDY. And you were going to split the employees up with the upholsterers union?

Mr. DILLON. That is correct.

Mr. KENNEDY. So did you arrange to have pickets go out to the Englander Co.?

Mr. DILLON. We arranged to have two pickets in conjunction with the upholsterers union.

Mr. KENNEDY. Who was returning that for the upholsterers union?

Mr. DILLON. Michael Katz.

Mr. KENNEDY. What was his position?

Mr. DILLON. I believe he was general organizer with the Upholsterers International Union.

Mr. KENNEDY. Did you ever have any conferences with Mr. Nathan Shefferman?

Mr. DILLON. I did.

Mr. KENNEDY. In connection with this matter?

Mr. DILLON. Yes, sir.

Mr. KENNEDY. Will you tell us what happened?

Mr. DILLON. I received a visit from Mr. Nathan Shefferman, asking me to take off the pickets——

Mr. KENNEDY. Did you know Mr. Shefferman before?

Mr. DILLON. No; I did not. I had never met Mr. Shefferman before that.

Mr. KENNEDY. And you were in your office: were you?

Mr. DILLON. I was in my office.

Mr. KENNEDY. And Mr. Shefferman came in and introduced himself?

Mr. DILLON. That is correct.

Mr. KENNEDY. Had you heard of Mr. Shefferman before?

Mr. DILLON. Yes; I had.

Mr. KENNEDY. In what connection?

Mr. DILLON. I had heard that he was connected with Sears, Roebuck, and that he was friendly with Mr. Beck.

Mr. KENNEDY. He came in, and what did he say to you?

Mr. DILLON. He asked me to take the picket line off that we had, and he indicated that he had talked to Mr. Beck, and advised me to take the picket line off.

Mr. KENNEDY. And that he was conveying Mr. Beck's request to you, that you remove the picket line: is that correct?

Mr. DILLON. That is what he indicated.

Mr. KENNEDY. So what did you say to him?

Mr. DILLON. I said that I couldn't take the picket line off, or I wouldn't take the picket line off, until Mr. Beck called me and discussed it with me.

Mr. KENNEDY. Did he say what he and Mr. Beck were doing at that time? Did he indicate that to you?

Mr. DILLON. If I remember correctly, they were going to take a trip that same afternoon to Hawaii.

Mr. KENNEDY. Did you hear from Mr. Beck?

Mr. DILLON. No, I did not.

Mr. KENNEDY. And you did not remove the picket line?

Mr. DILLON. I did not.

Mr. KENNEDY. When Mr. Shefferman came back from Hawaii, did he approach you again?

Mr. DILLON. Yes, he did.

Mr. KENNEDY. What did he say to you at that time?

Mr. DILLON. He told me at that time that his client, the Englander Co., had no objection to a union in the plant, provided that they didn't have 4 or 5 different unions because the plant was only a

group of about 30 people, and that he had no objection if one union was in the plant and that was the only union that they had to deal with.

Mr. KENNEDY. So what arrangements were made then?

Mr. DILLON. I advised him to get hold of Mr. Katz, and if he could convince Mr. Katz to get out of the picture, we would attempt to organize the plant, Warehouse Union Local 12.

Mr. KENNEDY. What happened.

Mr. DILLON. A few days later, Mr. Katz got out of the picture.

Mr. KENNEDY. Do you know why Mr. Katz got out of the picture?

Mr. DILLON. No, I don't.

Mr. KENNEDY. You didn't receive any explanation as to why Mr. Katz withdrew?

Mr. DILLON. None at all.

Mr. KENNEDY. O. K.

Mr. DILLON. We withdrew our pickets. Eventually, after the company hired some 20 more people, we sent our organizers in and eventually we had enough applications to petition the National Labor Relations Board for an election.

Mr. KENNEDY. Did you have an election?

Mr. DILLON. We had an election.

Mr. KENNEDY. And you won the election?

Mr. DILLON. Yes. The CIO Furniture Workers were on the ballot and Warehouse Union, International Brotherhood of Teamsters, were also on the ballot.

Mr. KENNEDY. What was the count, approximately?

Mr. DILLON. I think it was approximately about 25 to 7.

Mr. KENNEDY. So you organized that Englander plant; is that correct?

Mr. DILLON. That is correct.

Mr. KENNEDY. Subsequently were you involved in some further negotiations with the Englander Co.?

Mr. DILLON. I was involved subsequently with their Los Angeles negotiations in 1955.

Mr. KENNEDY. And were you involved in negotiations that were held back in the East?

Mr. DILLON. I was involved in a meeting in relation to Englander but not specifically on negotiations.

Mr. KENNEDY. Would you tell us about that, please?

Mr. DILLON. In 1955, at a National Warehouse division meeting, the question came up on a national contract for Englander Manufacturing Co.

Mr. KENNEDY. You had already organized a number of the plants on the west coast, you and Mr. Brewster?

Mr. DILLON. We had the Oakland plant organized, the San Leandro organized, and we had a contract in the San Leandro, and we had a plant in Los Angeles recently organized, and going into negotiations. The question of the Englander on a national contract came up in the meeting that Mr. Brewster and I attended in New York, in the National Warehouse division.

Mr. KENNEDY. Who else was present at that meeting?

Mr. DILLON. Well, there was Mr. Hoffa and Mr. Gibbons and other members of the National Warehouse executive board.

Mr. KENNEDY. Were Mr. Hoffa, Mr. Gibbons and the representatives from the Englander Co.—were they attempting to convince you to go along on this national contract?

Mr. DILLON. Well, there weren't any representatives of the Englander Co. there.

Mr. KENNEDY. Just Mr. Hoffa and Mr. Gibbons?

Mr. DILLON. Mr. Hoffa and Mr. Gibbons. The general question came up at the meeting on whether or not it would be a good idea to include the Los Angeles and the San Leandro plant in a national contract they were then discussing with Englander.

Mr. KENNEDY. Had they gone in at that time and actually received a vote of the Englander plants, the employees of the Englander plants, that they wanted to join the teamsters union?

Mr. DILLON. I don't know whether they did or not.

Mr. KENNEDY. Did you have some information that indicated that that had not been done as of that time?

Mr. DILLON. In some of the plants, yes.

Mr. KENNEDY. That the employees had not yet been consulted regarding the matter; is that right?

Mr. DILLON. Well, at least that a vote had not been taken through the auspices of the National Labor Relations Board.

Mr. KENNEDY. This contract was going to cover all of these employees; is that right?

Mr. DILLON. That is correct.

Mr. KENNEDY. Did Mr. Brewster and yourself agree to go along with this proposition?

Mr. DILLON. No, we did not.

Mr. KENNEDY. Would you tell the committee why you would not go along?

Mr. DILLON. Well, there were 2 or 3 reasons. No. 1, at that time, and I think at the present time, the western conference policy is opposed to national contracts. Second, the contracts that we had on the west coast were open to negotiations, and our demands at that time were far greater than the demands that were going to be made from the company in the Eastern and Central and Southern States.

Mr. KENNEDY. The contract that you had on the west coast was far better than the contract that they were getting ready to negotiate; is that right?

Mr. DILLON. The wages were higher; yes, sir.

Mr. KENNEDY. Were you also opposed to the idea that all of these employees would be brought in, that it was going to be sort of the so-called top-down contract, the employees brought in without their approval?

Mr. DILLON. I don't know whether we discussed that. I know that as far as the San Leandro and the Los Angeles plants were concerned, we had no authorization from the rank and file members or from the local unions to enter into any national agreement covering these people on the west coast.

Mr. KENNEDY. And there was a distinct difference in the terms. Can you give us some examples of that?

Mr. DILLON. Well, we were asking at the time for a 10-cent-an-hour increase, a 10-cent pension plan, and a health and welfare plan that would amount to about 7 cents. I don't recall exactly what the

terms of the plants in the East were asking, but I think at the time it was a 5-cent increase, with a 5-cent pension.

Mr. KENNEDY. So it was a good deal lower than what you were already getting or requesting; is that right?

Mr. DILLON. The demands were; yes.

Mr. KENNEDY. Tell me this, and I don't know whether you can answer it: Were you also opposed, you and Mr. Brewster, to the idea that employees from 5 or 6 Englander plants in the Midwest were being brought in under this contract without having given their approval, having an election or giving their approval, to be brought in under a contract made between the higher officials of the teamsters union and the officials of the Englander Co.?

Mr. DILLON. I think our basic philosophy would be such. However, whether that question came up at that particular time in our minds, I can't say.

Mr. KENNEDY. But basically, you have been against that, you and Mr. Brewster?

Mr. DILLON. Basically; yes.

Mr. KENNEDY. Did Mr. Hoffa request you and Mr. Brewster to get together with Mr. Sidney Korshak to work this matter out?

Mr. DILLON. He suggested we get together with Mr. Korshak to negotiate the contracts on the west coast.

Mr. KENNEDY. And what did Mr. Brewster say?

Mr. DILLON. Mr. Brewster declined meeting with Mr. Korshak and instructed me to meet with Mr. Korshak.

Mr. KENNEDY. Did you meet with Mr. Korshak?

Mr. DILLON. Subsequently I did; yes, sir.

Mr. KENNEDY. Did you reach any agreement with him?

Mr. DILLON. I did.

Mr. KENNEDY. Was that in connection with the contracts on the west coast?

Mr. DILLON. The two contracts on the west coast.

Mr. KENNEDY. But you refused to go along on the national basis; is that right?

Mr. DILLON. Yes; we did.

Mr. KENNEDY. That is all.

Senator McNAMARA. Is this Englander Co. a furniture manufacturing company?

Mr. DILLON. Mattress manufacturing company.

Senator McNAMARA. They are just manufacturers and not retailers?

Mr. DILLON. Just manufacturers.

Senator McNAMARA. In the western conference, do you make a distinction in retail establishments between the warehouse employees and the inside help of the store as far as organizing is concerned?

Mr. DILLON. Not necessarily.

Senator McNAMARA. There is no restriction from you organizing help in what is commonly called the inside help in a store?

Mr. DILLON. No.

Senator McNAMARA. You do that in the western conference?

Mr. DILLON. Yes; we do.

Senator McNAMARA. It seems that there is in some areas of the country a distinction drawn between the warehouse employees and

the inside help. It seems to be of benefit to management to continue a nonunion operation.

In the western conference you are not handicapped by that division. Do you have retail people in your organization besides the warehouse end?

Mr. DILLON. We don't have retail clerks, but in some stores, some of the retail stores, we organize not only the warehousemen and shipping clerks, but we may possibly take in the elevator operators or the people that fix the frigidaire and semimaintenance men that take care of the frigidaire and radios.

One of the reasons for it, as a matter of fact, is when you go to the Board and just petition for your warehousemen, the Board will not allow a petition for warehousemen alone. They force you to go in and take other people so that you can have a different unit.

Senator McNAMARA. But in taking in other people you seem to studiously avoid taking in the jurisdiction that is claimed by the retail clerks; is that right?

Mr. DILLON. Generally speaking, that is correct.

Senator McNAMARA. That is the national policy?

Mr. DILLON. Yes, sir.

Senator McNAMARA. How do you explain that in the light of the fact that you go in and take over people who normally would belong to the building-service employees, such as janitors and elevator operators? Why do you make the distinction between them and the retail clerks when it comes to affiliation with your union?

Mr. DILLON. Well, in many instances when we take in the building-service we may turn the building-service people over to the building-service union, although they work under one contract. So the company negotiates in this instance with the teamsters, but the building-service people pay dues into the building-service union.

Senator McNAMARA. But, nevertheless, you treat this group, this union group, differently than you do the retail clerks, and that seems to be national policy. I can never quite understand it.

Mr. DILLON. I don't know. I don't make national policy. I really don't know the answer to the question that you ask.

Senator McNAMARA. This same policy apparently prevails in your district in the western conference, from your statement. You are going along with national policy. To that degree, you do recognize it, then, is that not right?

Mr. DILLON. That is correct.

Senator McNAMARA. Thank you.

Senator GOLDWATER. Mr. Chairman?

The CHAIRMAN. Senator Goldwater.

Senator GOLDWATER. I might explain, as a retailer, why this practice prevails. The stability in the warehouse end of it and the maintenance end of it is a good deal higher than the stability in the selling end of it. I have talked to many union organizers about this. There are none of them too keen about trying to organize retail clerks. They are largely women, and women are not as easy to organize as men.

They don't go into it because of the high rate of turnover. In fact, in some retail establishments, it is over 50 and 55 percent a year. You know, as a former union official, if you had to replace with union

help that kind of a loss, it would be very difficult. I think that is probably the basic reason why they keep them separated. On the west coast it does work out nicely. In San Francisco, the retail clerks are organized and so are the warehousemen, but they are separate.

Senator McNAMARA. I think that probably makes contribution to it, but I would question very much if there was less turnover in the janitors than there is in the sales force.

Senator GOLDWATER. You would be surprised. If you get a janitor, you have him for a long, long time.

The CHAIRMAN. On that tone, I think we can recess.

The committee will stand in recess until 10:30 in the morning.

(Members of the select committee present at time of recess: Senators McClellan, Goldwater, and McNamara.)

(Whereupon, at 4:40 p. m., the select committee recessed, to reconvene at 10:30 a. m., Wednesday, October 30, 1957.)

APPENDIX

EXHIBIT No. 1

COPY

TO OUR FELLOW WORKERS:

We, a group of Morton workers, have decided that we want to give the company a chance to show us what they will do for us, before we all get involved with any union.

We believe that we can get more for ourselves, not by working against the company, as a bunch of outsiders would like, but by working with the company.

We do not know of all the benefits our company has to offer until they have had a chance to show us.

We will surely do better to give the company a chance to show us -- rather than depend upon outside pressures, threats, and fancy promises.

These outsiders know little and care less about the problems which face a new industry in a growing community like Webster City.

As we see it, the best these dues collectors can offer is to interfere with the company's progress and future plans for its employees -- us.

What have they done in Estherville -- other than bring a long and costly strike -- especially to the workers.

Ask those Strike Happy Boys how long it will take the employees at Maytag to get back the earnings they lost after they were dragged out on the 67 day strike at Newton.

Since talk is cheap, these fellows are freely handing out papers criticizing everybody and making empty promises.

We want you to know that we do not go one bit for what they say -- We believe that all these fellows can bring us is TROUBLE and CONFUSION.

We will continue to keep you informed with the TRUE FACTS.

WE, THE MORTON WORKERS.

EXHIBIT No. 1—Continued

THE ESTHERVILLE STORY

The workers at P. G. Grey Company at Estherville, Iowa, had Petersen and his union for one year—one year was enough.

They were so fed up with Pete and his union and everything they stood for that when the year was up the P. G. Grey workers decided to get rid of Pete. They voted and kicked Pete and his gang out.

If Pete's own home town people couldn't stomach him, why should we here in Webster City fall for his bunk so that he can keep his belly filled, and with our money yet?

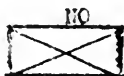
It didn't take long for the P. G. Grey workers to catch up with Pete and the phoney promises he couldn't keep, but it took the workers a long bitter year and a lot of money before they got rid of him.

We can save ourselves all the trouble they had with him in Estherville, and we don't have to wait a year.

We only have to wait until November 22, 1955—on that day we can save ourselves lots of headaches by voting Pete and his gang out.

To be safe, sure and free from pressure, annoyance, and nonsense,

VOTE - by putting your X in the box marked



WE, THE MORTON WORKERS

EXHIBIT No. 1—Continued

BETHLEHEM STORY - Chapter 2

Look what Pete went and did again.

He is thrown out of F. G. Gray Co. - He doesn't even wait to brush off his clothes - He starts slugging.

It wouldn't be so bad if he was bucking his own head against the wall - but he drags a lot of innocent people down with him.

He reminds one of the fellow whose horse walked into a brick wall. When asked if the horse was blind the driver said the horse was not blind—he just doesn't give a darn.

Speaking of horses—the HEBB'S Horse Meat Packing Plant at Bethleville was saddled with Pete's union.

Several weeks ago Pete's union went out on the streets. Everybody is trying to figure out why. WHY THEM?

On November 28th, Pete's union called off his strikers in front of the Bethleville Horse Meat Packing Plant, after they lost the jobs of approximately 50 of their union workers - WHY? But the plant is filled with workers - - but none of them are Pete's numbers - - nor do they belong to any union.

What kind of a Thanksgiving is this that Pete has arranged for his strikers?

It is easier to get along through understanding than misunderstanding.

We want to encourage and not discourage our company to find it worthwhile to operate in Hebbster City. We want to give them the chances they ask for to make this plant the good place to work they want it to be.

We may be called all sorts of names - - stooges - - what not - - but no one can hold us for wanting to live in peace with each other, with the Company, with the community.

To make this so, let us vote by marking X in the NO box



WE, THE WORKING WORKERS

EXHIBIT No. 1--Continued

DO YOU WANT THIS? WE DON'T!!

Maytag workers lost \$50,000.00 a day, 2 1/2 MILLION DOLLARS -- during their 67 day strike.

They had to exist on grocery paper orders-- \$12.00 a week for a man and wife, and that ONLY AFTER THEY HAD USED UP ALL THEIR SAVINGS.

They also had to walk the picket line when ordered, whether they liked it or not.

Did the union help the strikers, or did they let them shift for themselves when they suffered losses because they could not pay the rent, most payments on homes, automobiles, furniture, clothing, and what not?

Did these union strike leaders, during the strike, lose one day's pay? Did they cut down on their expenses? Did they dig into their own pockets to help the strikers into whose pockets they used to dig for initiation fees, dues, fines, assessments, etc?

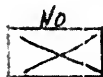
ASK THEM??? DID THEY??? ASK THEM??? DID THEY???

HERE'S A HOT ONE!

Mrs. Violet Dye, wife of the union president, worked in the Maytag Company office during all of the strike--THINK OF IT!! Working and making money--her husband making money--at the same time threatening and molesting workers who wanted the right to vote to get back to work to take care of their families.

ANY BODY WHO WANTS A UNICK AFTER ALL THIS MUST BE CRAZY.

On November 22 we can escape all this BY VOTING JUST ONE WAY, marking an X under the box marked "no".



See the MORTON WORKERS.

EXHIBIT No. 5

Feb. 12, 1957

Mr. Keith Binns, Mgr.
Mortons Frozen Foods
Webster City, Iowa.

Dear Sir:

Following is a list of names of the ones who have not at this date signed papers authorizing the check-off of Union dues:

Alvin Appel
Marie Conway
Marie Wilkinson
Grace Irelan
Chas. Irelan
Billie Irelan
Edna Kores, Appl
Linda Clark
~~Marie Irelan~~
Cathie Koversten
L. Wayne Thomas
Alice Towell
Lewight Garrison
Donald S. Ogler
Dorothy Berleen
Bill Brown
Nick Edwidman
~~Allen Miller~~
Roger Smith
~~Charlotte Schmidt~~
Dorothy S. Egan
L. Davis
Lois H. Riley
Donald Whyn
Luth. St. Masrud
Robt. Borotska
Larry LeBower
Janice LeBower
David Olson
Gary Roberts.
Keith Bell
Fillie York Appl
George Jacobson

Ernest Stacy
~~Earl Frisby~~
James Farnenning
Gatta Farnenning
Vesse Jotten
Harold Fenton
Vale Chambers
Doretta Chambers
Lada Sharkey
Joy Lishman
Cyril Rohrer
Luth. Reed
Genevieve Thomason
Nichols McQuick
Freda Huison
Betty Miller
Bessie Anderson
Lvelyn Brinzema
Roy Evans
Vera Maude
Viola Pope
Lyle McCollough
Cadell Abbott
Roger W. Becker
Donald Kramernann
Larry Staley
Richard W. Fisher, Appl

There may be others that we have overlooked but this is the present list. We would appreciate any assistance you can give in cutting this list down as far as possible.

Yours truly,

Charles C. Smith, Asst. Director.

EXHIBIT No. 9

Richard L. RamseyPAINT

Box 20

Green Camp

Date - Jan 16

By 16

Comment

Says he
won't vote for
union.I think he
will.

EXHIBIT No. 10

Richard E. Creege

Pres. Sub. Let

240 Lincoln Ave

Marion

Date

1-9-56

By

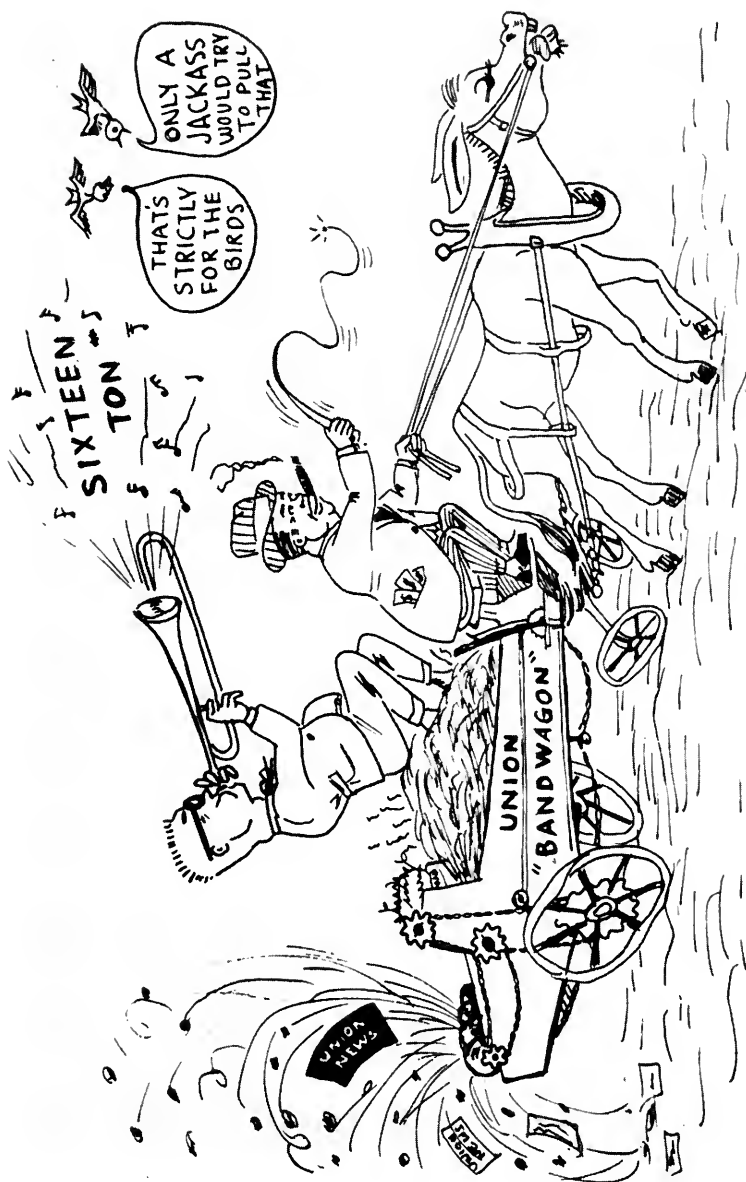
CL
HB

Talk to boy's mother
+ Father? Will talk to
Dick later. Parents will
talk to Dick

EXHIBIT No. 14A



EXHIBIT No. 14B



WHIRLPOOL EMPLOYEES
VOTE "NO" COMMITTEE

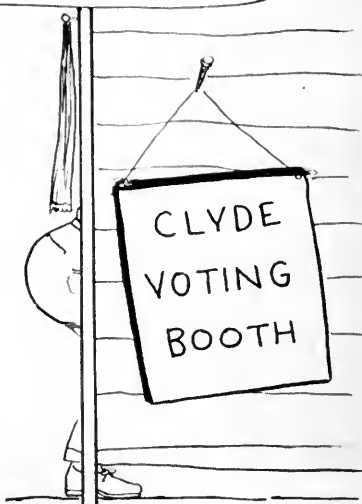
EXHIBIT No. 14C

The #64,000 QUESTION

WILL THE I.A.M. COLLECT AT LEAST THIS
MUCH FROM CLYDE WORKERS IN ONE YEARS DUES,
FINES, and ASSESSMENTS for a
UNION HALL and STRIKE FUNDS ... ?

HE'S IN THE
\$64,000 QUESTION
BOOTH NOW !

THIS MAY BE HIS LAST CHANCE
TO VOTE BY SECRET BALLOT !!
IF HE DON'T VOTE "NO" HE WON'T
COLLECT , HE'LL PAY and PAY !!!!



WHIRLPOOL EMPLOYEES
VOTE "NO" COMMITTEE

EXHIBIT No. 14D

I WAS SUCKER ENOUGH TO VOTE
 "YES" WHEN THEY PROMISED 25¢ and
 NO STRIKE ! I'M STILL PAYING FOR
 THE LAST 6 WEEK STRIKE and PART-
 TIME WORK UNDER **IAM** SENIORITY
 PLUS BACK DUES, FINES and ASSESSMENTS!!



EXHIBIT No. 19

Declaration of Rights7

These rights are guaranteed and protected by law and contract between the Council and Sears Roebuck, Boston, Mass.

The right to bargain with NLRB Certification.

The right to be represented by members of the Council.

The right to reopen negotiations for a wage increase Feb. 1, 1953.

The protection afforded by the contract now in effect.

The right to benefits as specified by contract.

I insist my rights be preserved.

This is my wish in spite of any conflicting claims or representations.

Date _____ Name _____

SEARS ROEBUCK EMPLOYEES' COUNCIL (Unaffiliated)

EXHIBIT No. 21

TO THE EMPLOYEES OF THE FENWAY STORE

Fellow Workers:

May 23, 1955

The following is a decision arrived at the considerable investigation of all the facts attending the current Labor Election concerning the Fenway Store.

We do not regard the situation lightly, but on the contrary, as a very serious one affecting all of us who have chosen to make Sears our careers.

Mindful of all the good the Council has done in the past, at times with the support of the majority of the employees, and at other times without it, we can honestly say that we have never found the Management of Fenway impossible to deal with. Do not forget all of our difficulties had their beginning in the treachery of a disloyal former officer of the Council who made a secret deal with the Retail Clerks, without the knowledge of the loyal members of the Council.

That deal involved turning over control of the Council to the Retail Clerks in return for a job for himself on the Retail Clerks' payroll. To bring about the deserved results, this traitor to the Council so sowed the seeds of discontent among the employees that he baited Management at every turn, manufactured incidents, made no attempt to settle anything, and kept the employees and Management in a state of confusion.

For some time now you have been hearing a barrage of promises by the Retail Clerks which they have not, or can not fulfill. Their record in the Boston downtown stores proves this.

The sole aim of the Council has been concerned with promoting the welfare of the employees of the store. Not one cent in salary has been paid to any officer now serving, nor have any salaries been paid since the traitors, who used all of the Council funds for their own use, deserted the organization.

We who have remained in the Council have seen conditions in the Fenway store steadily improve, both in the operation of the store, and in the personnel relations field. We want it to continue to improve, and we believe that Management is proceeding in the right direction to make this improvement.

In view of all the circumstances, we believe that the welfare of all the employees in the Fenway store, for the ensuing year, can best be promoted by defeating the Retail Clerks. Therefore, we throw our voting strength to no union in this Election, and urge all of our members, and fellow employees, to do the same.

Fraternally yours,

SEARS, ROEBUCK EMPLOYEES'
COUNCIL, LOCAL 1

A. Giammasi, Chairman
A. Swift, Vice-Chairman
M. Beston, Secretary
R. P. Gannon, Chairman,
Supreme Executive Board

LABOR RELATIONS ASSOCIATES
of Chicago, Inc.

CHICAGO, ILL.

May 1 1954

286
710

2299

No.

1,500.00

\$

Pay to the order of E. W. Robey

One Thousand Five Hundred and no/100

LABOR RELATIONS ASSOCIATES
of Chicago, Inc.

Shilton Shefferman

NATIONAL BOULEVARD
BANK
of
CHICAGO, ILL.

*DOLLARS

Pay to NATIONAL BOULEVARD BANK
of Chicago, Ill., or Order
E. W. ROBEY

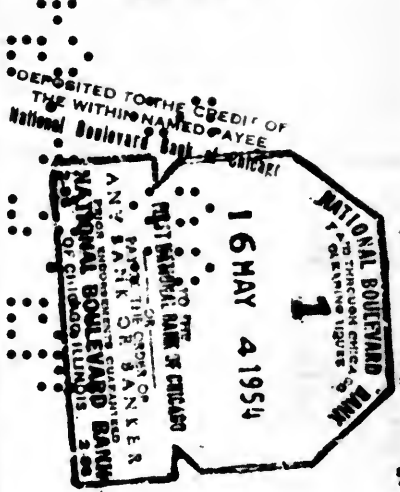


EXHIBIT No. 24

Memo to: C. B. Caldwell

Re: Boston

Pursuant to our conversation, the following is the historical development of the Retail Clerks attack on Sears Boston. The following information was obtained from John Lind and by no means represents the entire story.

The initial contact with Sears was made in June of '30 when a friend of John Lind was released by the Cambridge store. At this time Lind began to meet with a small group of Sears employees from the Cambridge store.

In July, Roy Webber contacted John Lind and expressed his interest in switching the Sears Employees Council to the Retail Clerks. The following evening Lind met with Webber, Earl Merfield, Ferguson, and Marty Gibson. At this meeting Webber said the Council had gone as far as it could and was now being pushed around by management, that they needed outside help. They were given cards to sign people up in both stores, the Cambridge and Fenway stores.

The response on the part of Sears employees was tremendous. With Roy Webber's backing almost 80% of the people were signed up for the Retail Clerks. A hearing was held and an election was directed by the N. L. R. B. for November 30th.

Prior to this election, Mr. Nugent, the Sears group manager, contacted Roy Webber and for the sum of \$20.00 a week additional pay switched Roy Webber over to work for the Council.

On November 30th the election was held and lost by the Retail Clerks to the Sears Employees Council. The deciding factor in this election was Roy Webber. He wielded tremendous influence among the various employee groups in the store. In spite of the Retail Clerks loss, John Lind never lost contact with certain groups of employees in the store. He continued to have meetings with these employees regularly.

Early in 1932 Mr. Nugent was transferred out of Boston and Mr. McDermott became the new group manager. When Nugent left the Webber deal of \$20.00 per week also was stopped.

In May, 1932 Roy Webber again contacted Lind and said that he had made a mistake and felt that the company was trying to break up the Council completely. The following day Lind was contacted by Bailey and Verpilliet. This meeting was held and Lind was informed that Webber was going to be thrown out of the Council and Bailey would become the new president. The following day Lind brought together Webber, Bailey and Verpilliet for another meeting and the decision was that they were to all work together. Lind said that he would take on the job, but he insisted that this time he would get \$2.00 with every application card. This procedure was agreed upon.

It was further agreed that the Clerks would issue a Charter for the Sears Employees Council and that rather than attempt another organizing drive that the Council would merely affiliate with the Retail Clerks.

18-181-79

EXHIBIT No. 24—Continued

-2-

With the Council attorney Roitman it was decided that certain constitutional changes would have to take place. However, the first and foremost thing was the election of new officers for the Council. In October a slate of officers was put through by this group, and in November they were unanimously elected. Local management went along with this election mainly because they felt that the officers that were elected were weak and could easily be controlled, which was precisely the same attitude that Webber and Lind had when they slated this group.

At this point Verpilliet began to work with the company and a great deal of information regarding the activities of Lind and Webber and Bailey was brought to the attention of management. However, no action was taken on the part of either management or the Clerks until a constitutional meeting and executive board meeting were held in the early part of January, 1953.

At that time the executive board voted to change the constitution section on affiliation to read that in order to affiliate with another union a majority of those voting was necessary. It had previously read a majority of the membership. Once this constitutional change was put into effect a general meeting of the membership was held on January 18th. The Fenway store, Local 1, voted to affiliate by 224 - 34. The Cambridge store voted for affiliation 34 - 30. Prior to this general meeting Mr. McDermott made a speech in the Fenway store in which he reportedly stated that he was not interested in how the people voted but rather that they vote. He conveyed the impression that he was in favor of their voting for the Retail Clerks. This speech has been used as a very important issue all the way through by the Retail Clerks, stating that management even expressed a desire for the Clerks and then turned around and changed its mind. It had in their minds no business to inject itself into this matter in the first place.

In late April and early May of '53 contact was made through N. W. Shefferman with John Lind. At that time it was determined that Lind was interested in getting out of the Clerks and was willing to play along on any sort of deal that would not put him in too bad a light in the union movement. Lind was offered a job and accepted with the Laundry Workers. At that time the Board hearing was being considered. He accepted and tendered his resignation to the Clerks. This premature resignation on his part actually hurt any possible chance that he had on the inside to swing this thing over.

Recognizing that Lind could not come out and work for the Council, with the help of Nick Morrissey of the Teamsters he began to work organizing supposedly for the Teamsters. This has been done very quietly and through a very select group in the store. About ten weeks ago a proposal was offered to management in which it was hoped to point out that the Clerks could do nothing for the employees of Sears, but that the Teamsters had the necessary strength to help them. The proposal was simply that two people were to be fired. One was Marty Gibson from the Fenway store and the other was Santucci from the warehouse. Gibson, management decided it did not want back on the payroll as an employee, and therefore could not be used as an issue. Santucci, in spite of his rabid position on the Retail Clerks side, was too valuable to let go, so that a substitute had to be found. A George Brady was substituted for Santucci on a very flimsy case. In addition to these two men, three additional employees from the Cambridge store were also going to be released. However, management had good cases on all three of these.

EXHIBIT No. 24—Continued

-3-

The Brody discharge backfired and it was necessary to put him back on the payroll within a week, the Retail Clerks claiming credit for this. However, on the three people from Cambridge store, the Board investigators ruled that there was no unfair labor practice connected with their discharge and therefore their cases were dropped.

The matter of Gibson went to a hearing and two weeks ago the Board ruled that the company was justified in its actions to fire Gibson for insubordination, since seven girls in the Credit Department signed affidavits to the effect that Gibson was insubordinate. Gibson is now an unpaid employee in the Retail Clerks office. Gibson exercises considerable influence over a great number of the older women in the store since he for many years was the dues collector for the Council.

Present developments within the Retail Clerks are as follows. The dues collections for the Clerks have dropped to 50% or less. Local 1291 of the Retail Clerks is presently paying part of the bills for organizing Sears with the intention of taking over if and when an election is held. The employees are becoming more and more afraid of Sammy Myers promises, particularly since the Board ruled against the Clerks on the Gibson matter. It is expected that Myers will probably make Gibson the business agent. However, Roy Webber wants Hessian appointed to the business agent's job. Should Gibson get the job this would create a cleavage within the ranks of the Clerks. The Gibson appointment would be a good thing since Gibson is one of the boys.

Lind's latest proposal for proving the inability of the Clerks to handle any situation is that five people who work closely with him be released for collecting dues on company time out in the open. These people are: Jimmy Donohue, Alta Morinnesee, Alice Ogar, George Moreaco, and Lil Murray. According to Lind these people are willing to go along with this type of operation.

Lind at the present time has approximately 30 people working for him. Among that 30 is Tommy Lydon who is the most acceptable of all the people in either one of the stores to head up either the Council or any other type of organization which might possibly grow out of this situation. A meeting is to be held by Sam Myers on the evening of October 7th. It is expected that the business agent appointment will be made at that time. Also McWilliams of the Cambridge store and Jimmy Donohue of the Fenway store are going to raise the question of the necessity of continuing to pay dues during this period while they are awaiting the Board's decision. It is generally felt that if the membership should decide to stop paying dues, that the Retail Clerks would lose interest in the operation.

Generally the people are critical of the following. The last flier sent out by the Council was mailed on the Sears postal meter. This action has tended to prove to the people that the company has more than just a passing interest in the Council. Furthermore, the division managers in the Cambridge store are putting pressure on the employees to join the Council. This pressure is not being received too well by the employees since they feel that the division managers have no stake in this operation. Lind and Zenga feel that McDermott should be kept out of all future operations, since he is too honest. Both of these men feel that time is the important element and that there should be someone in Boston living

EXHIBIT No. 24—Continued

-4-

with the situation who can make the necessary decisions without waiting a week until Miller or McDermott get around to doing something. Both of these men feel that Paul Rohrdans is doing a good job but is handicapped by the fact that he works for McDermott. He follows instructions well and has a great deal of savvy in this matter. It is my personal belief that Rohrdans could not carry out the responsibility for this thing since he is subject to too much direct influence. However, I would recommend that consideration be given to Sheets, the mail order personnel manager, to take charge of this store on a full time basis. He is well acquainted with the union people in the town, well liked by the employees, and highly respected by the management people concerned.

Trusting that this report meets with your approval,

Respectfully submitted,

Raymond E. Holmes
10/7/59

REH:dni

IMPROPER ACTIVITIES IN THE LABOR FIELD

6235

EXHIBIT No. 26

EXHIBIT No. 26—Continued

1934

DEPARTMENT OF LABOR
BUREAU OF LABOR RELATIONS

AMERICAN
LABOR UNION

MEMORANDUM FOR THE RECORD
SUBJECT: [Illegible]
DATE: [Illegible]
BY: [Illegible]
TO: [Illegible]
[The following text is extremely faint and largely illegible due to the quality of the scan. It appears to be a memorandum or report detailing labor activities.]

4375

IMPROPER ACTIVITIES IN THE LABOR FIELD

6237

EXHIBIT No. 27

EXHIBIT No. 27—Continued

TRAVEL

FROM _____ TO _____ DEPARTED _____ ARRIVED _____
 FROM _____ TO _____ DEPARTED _____ ARRIVED _____

EXPENSES

TYPE OF TRAVEL ACCOMMODATION 1st class 5.50

FARE OR MILEAGE EXPENSE _____ PULLMAN _____ TOTAL \$ _____

FRIGHT CHARGE _____ BAGGAGE TIPS 2.00 TOTAL 2.00

TAXES: FROM _____ TO _____ FARE _____

(INCLUDE FROM _____ TO _____ FARE _____

IN TIPS: FROM _____ TO _____ FARE _____

FROM _____ TO _____ FARE _____

FROM _____ TO _____ FARE _____

FROM _____ TO _____ FARE _____

WHEEL (TRAIL) _____ COST _____

FOOD AND DRINK 1.00 DINNER 1.25 TOTAL 2.25

LAUNDRY _____ TOTAL _____

HAIR, TAILOR, CLEANING _____ TOTAL _____

ENTERTAINMENT, AMUSEMENT, PLEASURE _____ TOTAL _____

TELEPHONE _____

TO _____ PLAIN _____ CLIENT _____

MAIL _____

MAIL _____

MAIL _____

MAIL _____

MAIL _____

MAIL _____

MAIL _____

MAIL _____

MAIL _____

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MAIL _____

EXHIBIT No. 28

**LABOR RELATIONS ASSOCIATES
of Chicago, Inc.**

75 East Wacker Drive, Chicago 1, Illinois

TELEPHONE CENTRAL 6-2160

September 10, 1953

**Sears, Roebuck & Company
935 South Wacker Avenue
Chicago 7, Illinois**

Disbursements for the month of August, 1953

\$485.29

APPROVED BY W. W. TUDOR

9/28/53

Sent to Mr. Benthin
9/28/53

EXHIBIT No. 28—Continued

LABOR RELATIONS ASSOCIATES
of Chicago, Inc.

75 East Wacker Drive, Chicago 1, Illinois

TELEPHONE CENTRAL 6-2160

DETROIT
NEW YORK

September 10, 1953

Sears, Roebuck & Company
925 South Homan Avenue
Chicago 7, Illinois

<u>Date</u>	<u>Explanation</u>	<u>Disbursements</u>
7/20	Tele. call to Inberman✓	\$ 1.49
7/28	Tele. call to Kaplan✓	.88
7/29	Tele. call to Leighton✓	5.47
8/3	Tele. call to Caldwell✓	6.48
	Tele. call to Zenga✓	2.50
8/4	Tele. calls to Guy Farmer and Ted Jacobs✓	5.26
8/3	Entertainment of union officials✓	13.80
8/9	Tele. call to Dave Beck✓	3.58
8/10	Tele. call to Ray Holmes✓	3.99
	Entertainment of union officials✓	12.05
8/12	Entertainment of union officials✓	95.85
8/14	Tele. calls to Willis and Steve Dunn✓	2.98
8/15	Tele. calls to Leheney, Beck and Harding✓	12.90
8/17	Tele. call to Mullenhols.	3.11
8/18	Tele. calls to Beck, Brennan and Presser✓	9.59
8/19	Tele. calls to Dave Beck✓	4.47
8/21	Tele. calls to Chicago office✓	14.44
	Tele. calls to Watkins and Mullenhols✓	2.84
8/22	Entertainment of union officials✓	25.65
8/24	Tele. calls to Beck, Leheney and Haughton✓	11.89
	Tele. calls to Brennan, Westner and Franconer✓	14.79
8/25	Tele. calls to Duffield, Mullenhols & Dr. Grinstein.	15.73
	Tele. call to Boston made by Holmes.	3.04
8/27	Tele. calls to Duffield, Beck & Caldwell✓	21.33
8/28	Tele. calls to Styles, Teplov and Daily✓	12.76
	Tele. call to Sedgwick made by Holmes✓	11.34
8/30	Entertainment of union officials✓	30.60
8/31	Entertainment of union officials✓	16.30
	Tele. call to NYS✓	5.94
9/1	Tele. call to SS✓	5.00
9/2	Tele. call to Michaels✓	2.09
9/3	Tele. calls to Michaels and SS✓	4.53
9/4	Tele. call to Bachman✓	2.30
9/8	Tele. calls to Daily, Caldwell and Leheney✓	25.12
9/9	Tele. calls to Kaplan, Beck and Mohn✓	12.36
9/10	Tele. call to SS	2.84
		<hr/> \$425.29

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